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DE SF 019

R 0 2335Z JULY 80

FM SAN FRANCISCO (196-NEW) (P) (SQ.6)

TO DIRECTOR (ROUTINE)

LOS ANGELES (ROUTINE)

BT

UNCLAS

HARRY ALAN TOWERS, DBA KLONDIKE FEVER FILM PRODUCTIONS, LTD.,

THEATER FILM PRODUCTIONS, LTD., FILM ACCOUNTING SERVICES, LTD.,

FRAUD BY WIRE; ITSP; MAIL FRAUD, OO: SAN FRANCISCO.

BUREAU REQUESTED TO ADVISE LEGATS LONDON AND OTTAWA
OF THE FOLLOWING:

FOR THE INFORMATION OF BUREAU AND LEGATS, [REDACTED]

[REDACTED]

THE SAN FRANCISCO OFFICE AND ADVISED THAT [REDACTED] A SERIES

OF MEETINGS WITH CAPTIONED SUBJECT TOWERS AND OTHERS DURING

THE PERIOD OF MAY, 1979 THROUGH FEBRUARY, 1980. THE PURPOSE

OF THESE MEETINGS WAS TO DISCUSS THE INVESTING [REDACTED]

JUL 13 1980

Relay to Supt. London
Ottawa

a.m. 7-2-80

Placing

10/8

1980

RECEIVED

BI

RECEIVED
TELETYPE UNIT

2 JUL 80 04 12z

RECEIVED
FEDERAL BUREAU
OF INVESTIGATION
COMMUNICATIONS SECTION

NOT CONTAINED
UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

~~CONFIDENTIAL~~

Mr. Tolson	
Mr. DeLoach	
Mr. Mohr	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Mr. Holmes	
Miss Gandy	

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4

TELEPHONED

A SERIES

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DE-90

196-152-1

JUL 13 1980

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141082
5016SK/JAR
FBI # 205,062
205,063 - TOWERS

~~CONFIDENTIAL~~

PAGE TWO

196 -

~~CONFIDENTIAL~~
UNCLAS

IN THE DISTRIBUTION RIGHTS OF CERTAIN MOTION PICTURES,
KLONDIKE FEVER, WHICH RECENTLY PREMIERED IN CANADA AS WELL
AS THE STATE OF OREGON, IN "JACK LONDON'S SOUTHERN CROSS".
THE LATTER MOTION PICTURE, ACCORDING TO [REDACTED] HAS YET
TO BE MADE.

b6
b7C

IN MAY, 1979 [REDACTED] WAS INTRODUCED TO TOWERS AT THE
CANNES FILM FESTIVAL BY AN INDIVIDUAL FROM [REDACTED] NAMED [REDACTED]
[REDACTED] WITH AN ADDRESS OF [REDACTED]
[REDACTED] WHO WAS DOING BUSINESS
AS [REDACTED] AT THIS MEETING, [REDACTED] WAS
PROVIDED WITH A COPY OF A SCRIPT FOR A MOVIE TO BE ENTITLED,
"JACK LONDON'S SOUTHERN CROSS". THE PURPOSE OF THE SUBSEQUENT
MEETINGS WAS TO SOLIDIFY THE POSITION OF [REDACTED] AS
THE [REDACTED] FOR KLONDIKE FEVER
AND JACK LONDON'S SOUTHERN CROSS. [REDACTED] HAS ALREADY
[REDACTED]

SUBJECT TOWERS INDUCED [REDACTED] TO TRAVEL SEVERAL
TIMES TO TORONTO, CANADA AND MEET WITH TOWERS AT THE WALDORF
ASTORIA, 88 CHARLES STREET EAST, SUITE 807 WEST, TORONTO,
TELEPHONE (416) 923-3581. TOWERS HAS BEEN USING THE HOTEL AS

~~CONFIDENTIAL~~

PAGE THREE

196-

UNCLAS

~~CONFIDENTIAL~~

HEAD QUARTERS SINCE APPROXIMATELY JULY, 1979. ACCORDING
TO [REDACTED] MR. TOWERS HAS OR HAD AN ADDRESS OF APARTMENT
NINE, 59 DEVONSHIRE STREET, LONDON, W.1., TELEPHONE 01-580-
8248 OR 636-4931.

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IN FEBRUARY, 1980, TOWERS TELEPHONED [REDACTED]
[REDACTED] AND SUGGESTED THAT [REDACTED] TRAVEL TO EDMONTON -
ALBERTA, CANADA TO ATTEND THE PREMIER OF KLONDIKE FEVER. AT
THIS TIME TOWERS REQUESTED THAT [REDACTED] BRING WITH HIM A
\$100,000 CASHIERS CHECK WHICH WAS TO BE [REDACTED]
[REDACTED] JACK LONDON'S SOUTHERN CROSS.
[REDACTED] MADE THE TRIP AND BROUGHT A CASHIERS CHECK DRAWN ON
[REDACTED] TO THE PREMIER IN
EDMONTON, ALBERTA. IN THE PRESENCE OF OTHER INDIVIDUALS [REDACTED]
[REDACTED] TO TOWERS WHO DEPOSITED THE CHECK
IN THE IMPERIAL BANK OF COMMERCE LOCATED IN THE INTERSECTION
OF BLOOR AND CHURCH STREETS, TORONTO, CANADA. THE ACTUAL
TRANSFER OF THIS CASHIERS CHECK TOOK PLACE AT THE FOUR SEASONS
HOTEL IN EDMONTON, ALBERTA.

FURTHER INTERVIEW OF [REDACTED] INDICATES THAT A
POSSIBLE DRAW ON THE FUNDS DEPOSITED IN THIS CANADIAN BANK HAS

~~CONFIDENTIAL~~

BEEN MADE BY TOWERS AND THAT A FRAUD HAD BEEN PERPETRATED IN VIEW OF THE PRELIMINARY INDICATIONS THAT THERE IS NO PRODUCTION OF JACK LONDON'S SOUTHERN CROSS AND THAT CERTAIN MAILINGS HAVE BEEN MADE FROM CANADA REGARDING STATEMENTS AS TO CERTAIN ACTORS WHO WERE ALLEGEDLY UNDER CONTRACT TO STAR IN THIS FILM CALLED JACK LONDON'S SOUTHERN CROSS. ACCORDING TO [REDACTED] TOWERS HAS SEVERAL OTHER COMPANIES MENTIONED IN THE TITLE OF THIS COMMUNICATION WITH WHICH HE WAS OR CURRENTLY IS ASSOCIATED WITH.

DURING INTERVIEW OF [REDACTED] HE PRODUCED A PROMOTIONAL MOVIE BROCHURE WHICH HE ADVISED WAS KNOWN IN THE MOVIE INDUSTRY AS AN ADVANCE SALES BROCHURE, WHEREIN IT WAS REPRESENTED THAT GLENN FORD WAS UNDER CONTRACT TO STAR IN THE MOVIE JACK LONDON'S SOUTHERN CROSS. AT TOWERS' SUGGESTION, [REDACTED] PUT UP A \$50,000 LETTER OF CREDIT ISSUED ON DECEMBER 27, 1979 BY THE BANK OF AMERICA, PAYABLE TO GLENN FORD OR HIS AGENT, AS A GOOD FAITH GESTURE TO SECURE GLENN FORD FOR THE JACK LONDON'S SOUTHERN CROSS MOVIE. THIS ADVANCE SALES BROCHURE WHICH WAS PRODUCED BY [REDACTED] WAS RECEIVED BY HIM SUBSEQUENT TO THE ISSUANCE OF THIS LETTER OF CREDIT. THE LETTER OF CREDIT HAS SINCE

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b7c~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

EXPIRED AND THERE WERE NO DRAWS AGAINST IT.

IT IS SUSPECTED THAT GLENN FORD IS NOT AND NEVER WAS UNDER CONTRACT TO STAR IN THIS MOTION PICTURE AND THAT THE FOREGOING ACTION ON THE PART OF TOWERS MAY BE IN VIOLATION OF THE FRAUD BY WIRE, ITSP AND MAIL FRAUD STATUTES. TOWERS, ACCORDING TO [REDACTED] HAS IMPLIED THAT HE, TOWERS, IS NOT ABLE TO TRAVEL TO THE UNITED STATES BECAUSE OF SOME PROBLEMS WITH AUTHORITIES. UNITED STATES CUSTOMS FILES DO NOT CONTAIN A STOP NOTICE FOR TOWERS.

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(U) LEGAT. LEGAT. LONDON. WILL CONTACT [REDACTED]

b7D

(S)

(U) LEGAT, OTTAWA. WILL THROUGH APPROPRIATE CONTACTS AT THE TORONTO POLICE DEPARTMENT, MAKE INQUIRY AS TO ANY CRIMINAL RECORD FOR TOWERS AS WELL AS ANY RECORD WITH THE CANADIAN COUNTERPART OF THE SECURITIES EXCHANGE COMMISSION. THE LAST CHECK IS MADE IN VIEW OF FACT TOWERS RECENTLY INVOLVED WITH SALE OF LIMITED PARTNERSHIPS REGARDING THE FINANCING OF CERTAIN MOTION PICTURES. (S) LOS ANGELES. AT LOS ANGELES, CALIFORNIA. WILL LOCATE AND

~~CONFIDENTIAL~~

PAGE SIX

196-

~~UNCLASSIFIED~~
~~CONFIDENTIAL~~

INTERVIEW [REDACTED] LEWIS COMP, LTD., CARE OF

[REDACTED] 856 W SUNSET BOULEVARD, SUITE 605, LOS ANGELES

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b7C

SOON AND DETERMINE WHETHER OR NOT GLENN FORD CURRENTLY UNDER
CONTRACT TO STAR IN JACK LONDON'S SOUTHERN CROSS.

SAN FRANCISCO. AT [REDACTED] WILL MAINTAIN

CONTACT WITH [REDACTED]

BT

~~CONFIDENTIAL~~

1745Z JUN 80

FM OTTAWA (196-92)

TO DIRECTOR PRIORITY 168-03

LEGAT LONDON ROUTINE 001-03

BT

UNCLAS E F T O

HARRY ALAN TOWERS, DBA KLONDIKE FEVER FILM PRODUCTIONS, LTD.,
THEATER FILM PRODUCTIONS, LTD., FILM ACCOUNTING SERVICES, LTD.,

FBW; ITSP; MF, 00: SAN FRANCISCO.

PLEASE PASS TO SAN FRANCISCO:

REBUTEL, JULY 2, 1980.

LEGAT, OTTAWA, FILES REFLECT HARRY ALLEN TOWERS, BORN OCTOBER
19, 1920, IN ENGLAND, FIVE EIGHT, ONE SIXTY POUNDS, BROWN HAIR,
FBI NO. 763674D, IS SUBJECT OF NEW YORK FBI FILE 31-7903, WITH
WARRANT FOR PROSTITUTION DATED MAY 9, 1961.

(U).

TOWERS RESIDED WALDORF ASTORIA HOTEL, 88 CHARLES
STREET EAST, TORONTO, ONTARIO, OPERATING BUSINESS CALLED QUARTERMAIN
TV PRODUCTIONS LIMITED FROM RESIDENCE. TOWERS NOT DEPORTABLE FROM
CANADA.

ON JANUARY 16, 1979, AUSA SOUTHERN DISTRICT OF

12/1/82
CLASS. BY SP16SK/SA-R
DATE OF REVIEW
FOIA # 205,062-
205,063-Towers

JUL 9 1980

59 AUG 1 1980

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PAGE TWO OTT 196-92 ~~UNCLAS~~ E F T O

NEW YORK (SDNY), ADVISED THAT THE SDNY INTENDS TO PROSECUTE
TOWERS ON THE BOND DEFAULT CHARGE FILED ON MAY 9, 1961. AUSA

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[REDACTED] FURTHER ADVISED IT WAS NOT POSSIBLE TO EXTRADITE TOWERS FROM
CANADA FOR BOND DEFAULT BECAUSE IT IS NOT INCLUDED AS AN
EXTRADITABLE OFFENSE IN TREATIES WITH CANADA.

(U) ON JANUARY 29, 1979, [REDACTED]

b7D

(S)

NEW YORK WILL BE ADVISED OF SAN FRANCISCO CASE BY SEPARATE
COMMUNICATION.

BT

~~CONFIDENTIAL~~

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A AT
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MESSAGE RELAY VIA TELETYPE

~~CONFIDENTIAL~~

DATE	CLASSIFICATION	PRECEDENCE
7-2-80	UNCLAS	PRIORITY

FM DIRECTOR FBI

TO LEGATS, LONDON
OTTAWA

~~ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10-10-2012 BY 60322~~

10-2
~~CONFIDENTIAL~~

- | | | |
|---|--|---|
| <input type="checkbox"/> The President
<input type="checkbox"/> The Vice President
<input type="checkbox"/> White House Situation Room
<input type="checkbox"/> Attn: National Security Council
<input type="checkbox"/> Department of the Air Force (AFOSI)
<input type="checkbox"/> Department of the Army
<input type="checkbox"/> Naval Investigative Service
<input type="checkbox"/> Commandant, U. S. Coast Guard
<input type="checkbox"/> National Security Agency (DIRNSA/NSOC (ATTN: SOO))
<input type="checkbox"/> Director, Defense Intelligence Agency
<input type="checkbox"/> Director CIA
<input type="checkbox"/> U. S. Secret Service (PID)
<input type="checkbox"/> Attn: Executive Protective Service
<input type="checkbox"/> ZEN/U. S. Postal Service
<input type="checkbox"/> Attn: Chief Postal Inspector | <input type="checkbox"/> Nuclear Regulatory Commission
<input type="checkbox"/> Department of Energy
<input type="checkbox"/> Department of Treasury
<input type="checkbox"/> Attn: U. S. Customs
<input type="checkbox"/> Department of Treasury
<input type="checkbox"/> Attn: Bureau of Alcohol Tobacco & Firearms
<input type="checkbox"/> Department of Transportation
<input type="checkbox"/> Attn: Director of Security
<input type="checkbox"/> Drug Enforcement Administration
<input type="checkbox"/> General Services Administration (WASHDC area, specify office)

<input type="checkbox"/> (Other Areas, specify CITY/STATE)

<input type="checkbox"/> Federal Aviation Administration
<input type="checkbox"/> Federal Protective Service
<input type="checkbox"/> Secretary of State
<input type="checkbox"/> Attn: Director Bureau of Intelligence & Research
<input type="checkbox"/> Attn: SCA - VISA Office Room 709 - SA2 | <input type="checkbox"/> Attorney General
<input type="checkbox"/> Deputy AG
<input type="checkbox"/> Attn: Emergency Programs Center
<input type="checkbox"/> Assistant AG, Civil Rights Div.
<input type="checkbox"/> Assistant AG, Criminal Div.
<input type="checkbox"/> Attn: Internal Security Section
<input type="checkbox"/> Attn: General Crimes Section
<input type="checkbox"/> Assistant AG for Administration
<input type="checkbox"/> Attn: Security & Administrative Services Staff
<input checked="" type="checkbox"/> Immigration & Naturalization Service |
|---|--|---|

(SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED. ☐
 CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION) ☐
 SUBJECT:

SEE ATTACHED

APPROVED BY	ORIGINATOR	ROOM	TELE EXT.
R/PWC	P. W. Cook	5027	2805

211624

12/10/82
CLASS. BY SP16SK/SAR

DATE OF REVIEW
FOIA # 205,062 - [redacted]
205,063 - Towers

6 Jones

JUL 9 1980

DO NOT FILE WITHOUT COMMUNICATIONS STAMP

~~CONFIDENTIAL~~

006 to 0-73

USE OF FORM 0-73

1. Only incoming teletype messages which require transmission relay may be prepared for transmission using form 0-73. Use of form 0-73 is restricted to incoming teletype messages received within the last 3 days which require transmission relay; all other teletype messages must be prepared using form 0-93.
2. Additions such as notes and administrative data for a specific addressee are not allowed. If a note or administrative data is required for a particular addressee a separate 0-73 form must be prepared.
3. The message will be transmitted just as it appears. The person approving the message is solely responsible for assuring all necessary editing changes have been made.

PREPARATION OF FORM WHICH CONSISTS OF A PREPRINTED YELLOW.

1. Complete appropriate boxes: date, classification & precedence.
2. List addresses immediately following the "TO" or place a check mark in the appropriate boxes.
3. Type or PRINT the subject in the space provided.
4. Print or type originator's name, room number and telephone extension.
5. Indicate approval for transmission by initialing the "Approved By" box.

2 JUL 80 12 18
COMMUNICATIONS SECTION

PREPARATION OF MESSAGE TO BE TRANSMITTED

1. Xerox 1 copy of incoming teletype message. A notation shall be made on the original incoming teletype "1 copy made for relay to SACS _____, (OR LEGATS) _____, (OR GOVERNMENT AGENCIES) _____."
2. Minor editing changes shall be made on the xerox as follows: using a lead pencil ONLY draw single line through the first and last lines of the heading and connect these lines from top right to bottom left forming a "Z," figure. (DO NOT OBLITERATE THE HEADING.) Use horizontal lines to delete sentences or words. Printed changes of a word or two to the text of the message may be made; however, changes to the existing text involving more than a word or two necessitate the originator to initiate a new message using form 0-93.
3. Administrative data or notes may be typed immediately following the text and will be transmitted to all addressees.
4. When using the 0-73 form to disseminate information to field offices, Legal Attaches and other Government agencies simultaneously, the text, notes and administrative data must be identical for all addressees.

~~SF 01 64 184 0349Z~~

~~R HQ L~~

~~DE SF 019~~

~~R 0 0335Z JULY 80~~

~~FM SAN FRANCISCO (198-NEW) (P) (SS-6)~~

~~TO DIRECTOR (ROUTINE)~~

~~LOS ANGELES (ROUTINE)~~

~~BT~~

~~UNG LAS~~

RECEIVED
TELETYPE UNIT

2 JUL 80 04 12 Z

RECEIVED
FEDERAL BUREAU
OF INVESTIGATION
COMMUNICATIONS SECTION

~~CONFIDENTIAL~~

Exec. AD-Inv.	_____
Exec. AD-Adm.	_____
Exec. AD-LES	_____
Asst. Dir.:	_____
Adm. Serv.	_____
Crim. Inv.	_____
Ident.	_____
Intell.	_____
Laboratory	_____
Legal Coun.	_____
Plan. & Insp.	_____
Rec. Mgnt.	_____
Tech. Servs.	_____
Training	_____
Public Affs. Off.	_____
Telephone Rm.	_____
Director's Sec'y	_____

HARRY ALAN TOWERS, DBA KLONDIKE FEVER FILM PRODUCTIONS, LTD.,
THEATER FILM PRODUCTIONS, LTD., FILM ACCOUNTING SERVICES, LTD.,
FRAUD BY WIRE; ITSP; MAIL FRAUD, OO: SAN FRANCISCO.

~~BUREAU REQUESTED TO ADVISE LEGATS LONDON AND OTTAWA~~
SAN FRANCISCO OFFICE ADVISED BY TELETYPE JULY 2, 1980,
~~OF THE FOLLOWING:~~
AS FOLLOWS:

FOR THE INFORMATION OF BUREAU AND LEGATS, [REDACTED]

[REDACTED]

TELEPHONED

b6
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THE SAN FRANCISCO OFFICE AND ADVISED THAT [REDACTED] A SERIES
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~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

b6
b7c

~~PAGE TWO~~

~~196~~

~~UNCLAS~~

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THE LATTER MOTION PICTURE, ACCORDING TO [REDACTED] HAS YET
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IN MAY, 1979 [REDACTED] WAS INTRODUCED TO TOWERS AT THE
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[REDACTED] WITH AN ADDRESS OF [REDACTED]
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AND JACK LONDON'S SOUTHERN CROSS. [REDACTED] HAS ALREADY
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SUBJECT TOWERS INDUCED [REDACTED] TO TRAVEL SEVERAL
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TELEPHONE (416) 923-3581. TOWERS HAS BEEN USING THE HOTEL AS

THA 221
SKIPPED
BECN

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~PAGE THREE~~

~~196~~

~~UNCLAS~~

HEAD QUARTERS SINCE APPROXIMATELY JULY, 1979. ACCORDING
TO [REDACTED] MR. TOWERS HAS OR HAD AN ADDRESS OF APARTMENT
NINE, 59 DEVONSHIRE STREET, LONDON, W.I., TELEPHONE 01-580-
6248 OR 636-4931.

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ALBERTA, CANADA TO ATTEND THE PREMIER OF KLONDIKE FEVER. AT

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[REDACTED] MADE THE TRIP AND BROUGHT A CASHIERS CHECK DRAWN ON

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[REDACTED] TO TOWERS WHO DEPOSITED THE CHECK

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OF BLOOR AND CHURCH STREETS, TORONTO, CANADA. THE ACTUAL
TRANSFER OF THIS CASHIERS CHECK TOOK PLACE AT THE FOUR SEASONS
HOTEL IN EDMONTON, ALBERTA.

FURTHER INTERVIEW OF [REDACTED] INDICATES THAT A

POSSIBLE DRAW ON THE FUNDS DEPOSITED IN THIS CANADIAN BANK HAS

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~PAGE FOUR~~

~~196~~

~~UNCLAS~~

BEEN MADE BY TOWERS AND THAT A FRAUD HAD BEEN PERPRETRATED IN VIEW OF THE PRELIMINARY INDICATIONS THAT THERE IS NO PRODUCTION OF JACK LONDON'S SOUTHERN CROSS AND THAT CERTAIN MAILINGS HAVE BEEN MADE FROM CANADA REGARDING STATEMENTS AS TO CERTAIN ACTORS WHO WERE ALLEGEDLY UNDER CONTRACT TO STAR IN THIS FILM CALLED JACK LONDON'S SOUTHERN CROSS. ACCORDING TO [REDACTED] TOWERS HAS SEVERAL OTHER COMPANIES MENTIONED IN THE TITLE OF THIS COMMUNICATION WITH WHICH HE WAS OR CURRENTLY IS ASSOCIATED WITH.

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~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~PAGE FIVE~~

~~196~~

~~UNCLAS~~

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IT IS SUSPECTED THAT GLENN FORD IS NOT AND NEVER WAS UNDER CONTRACT TO STAR IN THIS MOTION PICTURE AND THAT THE FOREGOING ACTION ON THE PART OF TOWERS MAY BE IN VIOLATION OF THE FRAUD BY WIRE, ITSP AND MAIL FRAUD STATUTES. TOWERS, ACCORDING TO [REDACTED] HAS IMPLIED THAT HE, TOWERS, IS NOT ABLE TO TRAVEL TO THE UNITED STATES BECAUSE OF SOME PROBLEMS WITH AUTHORITIES. UNITED STATES CUSTOMS FILES DO NOT CONTAIN A STOP NOTICE FOR TOWERS.

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b7D

(U) LEGAT, OTTAWA. WILL THROUGH APPROPRIATE CONTACTS AT THE TORONTO POLICE DEPARTMENT, MAKE INQUIRY AS TO ANY CRIMINAL RECORD FOR TOWERS AS WELL AS ANY RECORD WITH THE CANADIAN COUNTERPART OF THE SECURITIES EXCHANGE COMMISSION. THE LAST CHECK IS MADE IN VIEW OF FACT TOWERS RECENTLY INVOLVED WITH SALE OF LIMITED PARTNERSHIPS REGARDING THE FINANCING OF CERTAIN MOTION PICTURES. (X) LOS ANGELES. AT LOS ANGELES, CALIFORNIA. WILL LOCATE AND

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~PAGE SIX~~

~~196~~

~~UNCLAS~~

INTERVIEW

[REDACTED] LEWIS COMP, LTD., CARE OF

[REDACTED] 8560 SUNSET BOULEVARD, SUITE 605, LOS ANGELES

b6
b7C

9000 AND DETERMINE WHETHER OR NOT GLENN FORD CURRENTLY UNDER
CONTRACT TO STAR IN JACK LONDON'S SOUTHERN CROSS.

SAN FRANCISCO.

AT

[REDACTED] WILL MAINTAIN

CONTACT WITH

[REDACTED]
BT

~~CONFIDENTIAL~~

0 JHJA
A [initials]
P [initials]

MESSAGE RELAY VIA TELETYPE

~~CONFIDENTIAL~~

DATE 7/3/80	CLASSIFICATION UNCLAS	PRECEDENCE ROUTINE
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FM DIRECTOR FBI

TO FBI SAN FRANCISCO

~~ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE~~

6-2
10-2
4-2

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|---|--|---|
| <input type="checkbox"/> The President | <input type="checkbox"/> Nuclear Regulatory Commission | <input type="checkbox"/> Attorney General |
| <input type="checkbox"/> The Vice President | <input type="checkbox"/> Department of Energy | <input type="checkbox"/> Deputy AG |
| <input type="checkbox"/> White House Situation Room | <input type="checkbox"/> Department of Treasury | <input type="checkbox"/> Attn: Emergency Programs Center |
| <input type="checkbox"/> Attn: National Security Council | <input type="checkbox"/> Attn: U. S. Customs | <input type="checkbox"/> Assistant AG, Civil Rights Div. |
| <input type="checkbox"/> Department of the Air Force (AFOSI) | <input type="checkbox"/> Department of Treasury | <input type="checkbox"/> Assistant AG, Criminal Div. |
| <input type="checkbox"/> Department of the Army | <input type="checkbox"/> Attn: Bureau of Alcohol Tobacco & Firearms | <input checked="" type="checkbox"/> Attn: Internal Security Section |
| <input type="checkbox"/> Naval Investigative Service | <input type="checkbox"/> Department of Transportation | <input type="checkbox"/> Attn: General Crimes Section |
| <input type="checkbox"/> Commandant, U. S. Coast Guard | <input type="checkbox"/> Attn: Director of Security | <input type="checkbox"/> Assistant AG for Administration |
| <input type="checkbox"/> National Security Agency (DIRNSA/NSOC (ATTN: SOO)) | <input type="checkbox"/> Drug Enforcement Administration | <input type="checkbox"/> Attn: Security & Administrative Services Staff |
| <input type="checkbox"/> Director, Defense Intelligence Agency | <input type="checkbox"/> General Services Administration (WASHDC area, specify office) | <input type="checkbox"/> Immigration & Naturalization Service |
| <input type="checkbox"/> Director CIA | <input type="checkbox"/> (Other Areas, specify CITY/STATE) | |
| <input type="checkbox"/> U. S. Secret Service (PID) | <input type="checkbox"/> Federal Aviation Administration | |
| <input type="checkbox"/> Attn: Executive Protective Service | <input type="checkbox"/> Federal Protective Service | |
| <input type="checkbox"/> ZEN/U. S. Postal Service | <input type="checkbox"/> Secretary of State | |
| <input type="checkbox"/> Attn: Chief Postal Inspector | <input type="checkbox"/> Attn: Director Bureau of Intelligence & Research | |
| | <input type="checkbox"/> Attn: SCA - VISA Office Room 709 - SA2 | |

(SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED. ☐
CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION) ☐
SUBJECT:

SEE ATTACHED

APPROVED BY <i>per</i>	ORIGINATOR BVM	ROOM 5027	TELE EXT. 2805
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033724C

DO NOT FILE WITHOUT COMMUNICATIONS STAMP

12/10/82
581-65K 1 JAN
DATE OF REVIEW
FOIA # 205,062
205,063 - Towers

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b7C

196-15264

JUL 7 1980

~~CONFIDENTIAL~~

59 AUG 11 1980

USE OF FORM 0-73

1. Only incoming teletype messages which require transmission relay may be prepared for transmission using form 0-73. Use of form 0-73 is restricted to incoming teletype messages received within the last 3 days which require transmission relay; all other teletype messages must be prepared using form 0-93.
2. Additions such as notes and administrative data for a specific addressee are not allowed. If a note or administrative data is required for a particular addressee a separate 0-73 form must be prepared.
3. The message will be transmitted just as it appears. The person approving the message is solely responsible for assuring all necessary editing changes have been made.

PREPARATION OF FORM WHICH CONSISTS OF A PREPRINTED YELLOW.

1. Complete appropriate boxes: date, classification & precedence.
2. List addresses immediately following the "TO" or place a check mark in the appropriate boxes.
3. Type or PRINT the subject in the space provided.
4. Print or type originator's name, room number and telephone extension.
5. Indicate approval for transmission by initialing the "Approved By" box.

PREPARATION OF MESSAGE TO BE TRANSMITTED

1. Xerox 1 copy of incoming teletype message. A notation shall be made on the original incoming teletype "1 copy made for relay to SACS _____, (OR LEGATS) _____, (OR GOVERNMENT AGENCIES) _____."
2. Minor editing changes shall be made on the xerox as follows: using a lead pencil ONLY draw single line through the first and last lines of the heading and connect these lines from top right to bottom left forming a "Z," figure. (DO NOT OBLITERATE THE HEADING.) Use horizontal lines to delete sentences or words. Printed changes of a word or two to the text of the message may be made; however, changes to the existing text involving more than a word or two necessitate the originator to initiate a new message using form 0-93.
3. Administrative data or notes may be typed immediately following the text and will be transmitted to all addressees.
4. When using the 0-73 form to disseminate information to field offices, Legal Attaches and other Government agencies simultaneously, the text, notes and administrative data must be identical for all addressees.

4 JUL 80 02 10
COMMUNICATIONS SECTION

P 231745Z JUN 80

~~CONFIDENTIAL~~

FM OTTAWA (196-92)

TO DIRECTOR PRIORITY 168-03

LEGAT LONDON ROUTINE ~~001-03~~

RECEIVED
TELETYPE UNIT

3 JUL 80 21 35z

BT

RECEIVED
FEDERAL BUREAU
OF INVESTIGATION
COMMUNICATIONS SECTION

UNCLAS E F T O

HARRY ALAN TOWERS, DBA KLONDIKE FEVER FILM PRODUCTIONS, LTD.

THEATER FILM PRODUCTIONS, LTD., FILM ACCOUNTING SERVICES, LTD.

Exec. AD-Inv.	_____
Exec. AD-Adm.	_____
Exec. AD-LES	_____
Asst. Dir.:	_____
Adm. Servs.	_____
Crim. Inv.	_____
Ident.	_____
Intell.	_____
Laboratory	_____
Legal Coun.	_____
Plan. & Insp.	_____
Rec. Mgmt.	_____
Tech. Servs.	_____
Training	_____
Public Affs. Off.	_____
Telephone Rm.	_____
Director's Sec'y	_____

FBW; ITSP; MF, OO: SAN FRANCISCO.

~~PLEASE PASS TO SAN FRANCISCO:~~

BY TELETYPE 7/3/80 LEGAT OTTAWA FURNISHED FOLLOWING
REBUTEL, JULY 2, 1980.

LEGAT, OTTAWA, FILES REFLECT HARRY ALLEN TOWERS, BORN OCTOBER
19, 1920, IN ENGLAND, FIVE EIGHT, ONE SIXTY POUNDS, BROWN HAIR,
FBI NO. 763674D, IS SUBJECT OF NEW YORK FBI FILE 31-7903, WITH
WARRANT FOR PROSTITUTION DATED MAY 9, 1961.

(U)

TOWERS RESIDED WALDORF ASTORIA HOTEL, 88 CHARLES
STREET EAST, TORONTO, ONTARIO, OPERATING BUSINESS CALLED QUARTERMAIN
TV PRODUCTIONS LIMITED FROM RESIDENCE. TOWERS NOT DEPORTABLE FROM
CANADA.

ON JANUARY 16, 1979, AUSA

SOUTHERN DISTRICT OF

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PAGE TWO OTT 196-92 UNCLAS E F T O

NEW YORK (SDNY), ADVISED THAT THE SDNY INTENDS TO PROSECUTE
TOWERS ON THE BOND DEFAULT CHARGE FILED ON MAY 9, 1961. AUSA

[REDACTED] FURTHER ADVISED IT WAS NOT POSSIBLE TO EXTRADITE TOWERS FROM
CANADA FOR BOND DEFAULT BECAUSE IT IS NOT INCLUDED AS AN
EXTRADITABLE OFFENSE IN TREATIES WITH CANADA.

(U) ON JANUARY 29, 1979, [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] (S)
NEW YORK WILL BE ADVISED OF SAN FRANCISCO CASE BY SEPARATE
COMMUNICATION.

BT

~~CONFIDENTIAL~~

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 8/14/80

~~CONFIDENTIAL~~

TO: DIRECTOR, FBI

FROM: *gm* LEGAT, OTTAWA (196-92) (P)

HARRY ALAN TOWERS,
 dba Klondike Fever Film Productions, Ltd.,
 Theater Film Productions, Ltd.,
 Film Accounting Services, Ltd.
 FBW; ITSP; MF
 OO: San Francisco

ReButel, 7/2/80; OTTtel, 7/3/80.

(U) Enclosed for FBIHQ and San Francisco is one copy
 each of [REDACTED]

(U)

Please note [REDACTED]

4-Bureau (Enc. 2)
 (2-San Francisco)
 1-Ottawa
 RLM:d1b
 (5)

ENCLOSURE

*2c A/T. lenc. sent via
 0-7 to SF
 6/10/80
 8/21/80*

AIRTEL

12/10/82
 EXCISE BY SP16SK1 JAR

DATE OF [REDACTED]

FOIA# 205,062 [REDACTED]
 205,063- TOWERS

AUG 20 1980

~~CONFIDENTIAL~~

Approved: _____

Transmitted _____

(Number) (Time)

Per _____

UNITED STATES GOVERNMENT

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Memorandum

~~CONFIDENTIAL~~

TO : Director, FBI ()

DATE: 7/16/80

FROM : Legal Attache, OTTAWA (196-92) (P)

~~ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE~~

SUBJECT: HARRY ALAN TOWERS,
dba Klondike Fever Film Productions, Ltd.,
Theater Film Productions, Ltd.,
Film Accounting Services, Ltd.
FBW; ITSP; MF
OO:SF Reference: Butel, 7/2/80.

Dissemination, as outlined below, was made on dates indicated.

☐ _____ copies of

141082
CLASS. BY SP1GSK/SAY
DATE OF REVIEW PER []
FOIA # 205062-
205,063-Turners

b6
b7C

☒ Pertinent information from reButel.

(U)

Name and Location of Agency

Date Furnished

7/16/80

c] ~~10~~

b7D

2 Bureau
2-Ottawa
(1- 66-135)
RLM:dlb
(4)

196-1526-
NOT RECORDED
JUL 21 1980

~~CONFIDENTIAL~~

UNITED STATES GOVERNMENT

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION*Memorandum*

TO : Director, FBI ()

DATE: 7/7/80

FROM : Legal Attache London

(196-181) ()

~~CONFIDENTIAL~~

SUBJECT: HARRY ALAN TOWERS, dba

① Klondike Fever Film Productions, Ltd.,

① Theater Film Productions, Ltd.,

① Film Accounting Services, Ltd.

FBW; ITSP; MF

(OO:SF) Reference: OTTtel 7/3/80 to Director and London.

Dissemination, as outlined below, was made on dates indicated.

☐ _____ copies of(U) ~~XX~~ Pertinent information from Ottawa teletype 7/3/80 furnished ☐

b7D

(U) Name and Location of Agency

Date Furnished

7/7/80

b7D

Classified and Extended by 6159

Reason for Extension:

FCIM, II, 1-2.4.2... (A)

Date of Review for Declassification:

7/7/2010

NOT RECORDED

9 JUL 15 1980

3 - Bureau

~~(XXXX) Foreign Liaison Desk~~

(1 - Legat, Ottawa) (196-92)

60 AUG 11 1980

~~CONFIDENTIAL~~

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

FBI/DOJ



UNITED STATES GOVERNMENT

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Memorandum

~~CONFIDENTIAL~~

TO : Director, FBI ()

DATE: 7/3/80

FROM : Legal Attache, London (196-181) (P)

SUBJECT: HARRY ALAN TOWERS, Dba
Klondike Fever Film Productions, Ltd.; Et Al
FBW; ITSP; MF
OO: SF~~ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE~~

Reference: Butel to London & Ottawa 7/2/80.

Dissemination, as outlined below, was made on dates indicated.

☒ One copies of retel - criminal investigation.☐ Pertinent information from12/10/82
CLASS. BY SP16SK/JAR
DATE OF REVIEW 205,062-
FNA# 205,063-TOWERSb6
b7C

(U) Name and Location of Agency

Date Furnished

7/3/80 c

b7D

3 - Bureau
(1 - Foreign Liaison Desk)
RAK:ejg

NOT RECORDED

JUL 15 1980

~~CONFIDENTIAL~~~~BLZ~~

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

AIRTEL

DATE: 8/11/80

TO : DIRECTOR, FBI

FROM : ADIC, NEW YORK (31-11639) (C) (#M-9)

SUBJECT: HARRY ALLAN TOWERS, dba
OKLONDIKE FEVER FILM PRODUCTIONS, LTD;
THEATER FILM PRODUCTIONS, LTD;
FILM ACCOUNTING SERVICES, LTD;

FBW;

ITSP;

MF

(OO: SF)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 7-14-81 BY SP1 GSK-JAN

ReLegat Ottawa routing slip, dated 7/31/80.

For information of receiving offices, matter entitled, "HARRY ALLEN TOWERS, aka-FUGITIVE, WSTA-BOND DEFAULT (B), OO: NY", transferred to the U.S. Marshall Service, Southern District of New York, New York, New York, pursuant to instructions set forth in Buairtel, dated 8/8/79, "INVESTIGATIVE OPERATIONS-FUGITIVE PROGRAM".

0-75 sent to Legat Ottawa; London
received each
SPH; 1/18/80
Gabin

DE-24

196-1526-6

- 4-Bureau
- (1-Legat, London)
- (1-Legat, Ottawa)
- 2-San Francisco
- 1-New York

DBW:dlt
(8)

22 AUG 14 1980

59 SEP 18 1980

FEDERAL BUREAU OF INVESTIGATION

Reporting Office SAN FRANCISCO	Office of Origin SAN FRANCISCO	Date 9/22/81	Investigative Period 1/22/81 - 9/21/81
Title of Case HARRY ALAN TOWERS, dba Klondike Fever Film Productions, Ltd. Theatre Film Productions, Ltd. Film Accounting Services, Ltd.		Report made by <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	Typed by rmp b6 b7C
		Character of Case FRAUD BY WIRE MAIL FRAUD INTERSTATE TRANSPORTATION OF STOLEN PROPERTY	

~~MARK~~
PROSECUTIVE REPORT

Approved <i>WDN/cp</i>	Special Agent in Charge	Do not write in spaces below	
Copies made: <div style="border: 1px solid black; padding: 5px;"> 2 - Bureau 1 - USA, SAN FRANCISCO (ATTN: AUSA [redacted]) 2 - San Francisco (196 -701) </div>		<div style="border: 1px solid black; padding: 5px; display: inline-block;"> 116-1586-7 </div>	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> 105 OCT 9 1981 </div>
		<div style="border: 1px solid black; padding: 5px; display: inline-block;"> 100 DOT CRIM DIV 10/9/81 ulm </div>	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> 105 </div>

Notations:

COVER PAGE

A*



FEDERAL BUREAU OF INVESTIGATION

PROSECUTIVE REPORT OF INVESTIGATION CONCERNING

**HARRY ALAN TOWERS, doing business as
Klondike Fever Film Productions
FRAUD BY WIRE**

TABLE OF CONTENTS

	<u>PAGE</u>
Narrative of Offense	B
Name of Defendant	C
Prosecutive Status	D
Witnesses	E
Evidence	F
Table of Contents For Report Forms (FD-302s)	1
Report Forms (FD-302s)	2

Copy to:

1 - USA, SAN FRANCISCO
(ATTN: AUSA [redacted])

b6
b7C

Report of:

SA [redacted]

Office: SAN FRANCISCO

Date:

9/22/81

Field Office File #:

SF 196 -701

Bureau File #:

Narrative of Offense:

This investigation was instituted upon receipt of information from [redacted] to the effect that Harry Alan Towers had defrauded him of approximately \$100,000 in a business deal involving [redacted] from a film named Jack London's Southern Cross.

b6
b7C

[redacted] has advised that he met Towers at the Canne Film Festival in May of 1979 whereupon Towers provided a copy of a script for a movie to be entitled, Jack London's Southern Cross. Towers suggested [redacted] travel to Edmonti-Alberta, Canada, to attend the premiere of Klondike Fever, a film to which [redacted] had [redacted]. Towers requested that [redacted] bring with him a \$100,000 cashiers check which was to be [redacted] Jack London's Southern Cross.

b6
b7C

[redacted] made the trip and brought a cashiers check drawn on the [redacted] and in the presence of others he [redacted] to Towers who deposited the check in the Imperial Bank of Commerce in Toronto, Canada. According to [redacted] several delays in production regarding the start of Jack London's Southern Cross occurred. Since he felt breaches of their [redacted] had taken place, he requested immediate return of his \$100,000 as well as \$700,000 in promissory notes representing the [redacted] Jack London's Southern Cross. These funds had allegedly been placed in a trust account. However, the Canadian Imperial Bank of Commerce in September of 1980 informed [redacted] that his funds were in fact not placed in a trust account but in an account partially owned by Mr. Towers making the recovery of these funds impossible. [redacted] has charged that Towers has made several misrepresentations with the intent of defrauding him.

b6
b7C

Investigation to date indicates that the motion picture, Jack London's Southern Cross, has yet to be made. However, no determination has been reached as to specific misrepresentations and the documentation of any specific misrepresentations. However, there have been numerous interstate telephone conversations over the course of this matter.

B

SF 196-701

NAME OF DEFENDANT:

HARRY ALAN TOWERS, described as follows:

<u>Race</u>	<u>Caucasian</u>
<u>Sex</u>	<u>Male</u>
<u>Date of Birth</u>	<u>10/19/20</u>
<u>Place of Birth</u>	<u>England</u>
<u>Height</u>	<u>5'8"</u>
<u>Weight</u>	<u>200 pounds</u>
<u>Hair</u>	<u>Grey</u>
<u>FBI #</u>	<u>763 674 D</u>

SF 196-701

PROSECUTIVE STATUS

On January 22, 1981, the facts of this matter as known to date were presented to AUSA [redacted] along with a copy of several contracts and correspondence received from [redacted]

b6
b7C

On April 13, 1981, [redacted] advised the writer that his heavy trial schedule had prevented him from analyzing all of the documents supplied to him and that he would review same at the earliest possible time.

SF 196-701

WITNESSES:

(1)

[Redacted]

b6
b7C

Can provide documentation as to representations made to him by Harry Alan Towers and others as well as physical evidence demonstrating his \$100,000 payment to Towers.

(2)

[Redacted]

Special Agent
Federal Bureau of Investigation
Los Angeles, CA

b6
b7C

Can furnish details regarding his interviews of

[Redacted]

[Redacted]

(3)

[Redacted]

The Lewis Company
650 N. Brenson Street
Los Angeles, CA

b6
b7C

Can provide details regarding actor Glenn Ford having never been retained by Towers as the lead actor for Jack London's Southern Cross.

(4)

[Redacted]

for Harry Alan Towers

b6
b7C

Can provide details and letters recording correspondence between [Redacted] and himself regarding their business agreements.

(5)

[Redacted]

Laurence Schillen Productions
6430 Sunset Boulevard
Los Angeles, CA

b6
b7C

SF 196-701

WITNESSES, CONTINUED:

Can provide details as to his understanding of the contract presented to actor Glen Ford and the loanout agreement in connection with Ford's proposed appearance.

SF 196-701

EVIDENCE:

- (1) Letter from [] to [] dated July 9, 1980, concerning preproduction costs incurred by Towers for "Southern Cross". b6
b7C
- (2) Letter dated May 28, 1980, from [] to []
- (3) Letter dated May 14, 1980, from [] to Harry Towers in Cannes, France.
- (4) Letter dated April 24, 1980, to []
[] from Towers.
- (5) Letter to [] from Towers containing agreement for "Southern Cross", dated March 1, 1980.
- (6) Exhibit A, financial agreement regarding distribution rights for "Southern Cross".
- (7) Agreement dated March 1, 1980, signed by [] and Towers regarding television rights to "Southern Cross".
- (8) Biography of Harry Alan Towers.
- (9) Letter dated July 25, 1980, to []
for Towers in U.S. from [] b6
b7C

The above listed items of correspondence outline the business relationship between [] and Towers.

(F)

b6
b7C

July 9th, 1980.

b6
b7C

Dear [REDACTED]

Re: "Southern Cross"

I have not heard from you with regard to my letter of 28th May, 1980, on the above subject.

Mr. Towers has recently returned from a visit to Italy, where he had the opportunity of discussing the situation with his Italian co-producers who, based on his confirmation to them that the production would definitely commence in June, had entered into various firm obligations.

In order to settle with the technicians and artists concerned the Italian co-producers have advised Mr. Towers that they will hold his companies and himself liable for costs in excess of \$US 100,000, and have asked for his proposals to dispose of this matter without delay.

Mr. Towers has supported pre-production costs directly attributable to "SOUTHERN CROSS", excluding the above, of approximately \$US 70,000, but this also does not include a number of contingent liabilities still to be settled.

The production has been indefinitely postponed and Mr. Towers has, and will continue to, minimise the various costs and liabilities to the maximum extent.

As you will of course be aware, Mr. Towers is presently holding a series of dated, unconditional and personally endorsed Promissory Notes with reference to the transaction.

In the present circumstances, I feel it proper to advise you that we deem these Promissory Notes as additional security for your obligations to my clients.

/Cont....

b6
b7C

[REDACTED] July 9th, 1980.

/2.

b6
b7c

Given proper arrangements to deal with the increased costs, and a revised and realistic starting date, I believe that my clients would be prepared, once again, to schedule production of the film. We continue to believe that it is a viable, commercial property, with strong profit potential.

I look forward to hearing from you as and when you have any proposals to resolve the problems.

Yours very truly,

[REDACTED]

b6
b7c

KDJ/JM

(E)

b6
b7C

VIA AIRVELOP

May 28th, 1980.

b6
b7C

Dear [REDACTED]

Re: "Southern Cross"

As you know, I act for Mr. Harry Alan Towers, for Film Accounting Services Limited, and for Klondike Fever Film Productions Limited. The first two are parties to the Contract concerning the above film, and the latter is the production company for it. I am aware of the terms of that Contract.

Mr. Towers has passed to me a copy of your letter of May 14th last, which did not reach him in Europe prior to his return here on May 25th, but a copy of which has now been forwarded to him by [REDACTED]. The letter very much surprised Mr. Towers as, prior to his departure for Cannes and after your receipt of the formal notice of the delayed start date, he had spoken to you on the telephone and you had apparently agreed to meet him in Europe.

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b7C

I have advised Mr. Towers that he ought to immediately enquire as to your intentions. Mr. Towers has apparently given proper notice of the extension of the commencement date for the film, as contemplated by the Contract. You have demanded the return of moneys paid by you under the Contract, and have made various complaints of a detailed nature. It seems to me that you are either repudiating the Contract or, alternatively, you are seeking to re-negotiate but are continuing to be bound by it. Which is it?

If you are unprepared to continue with the Agreement, my client will do one of two things. It will either make the film, looking to you for any loss if a similar Distribution Contract cannot be negotiated or, alternatively, my client may decide, or be forced, to abandon the film and to look to you for its loss. Unless I hear from you, by return mail, my client will take whichever of those courses

/Cont..

b6
b7C

[REDACTED] May 28th, 1980.

/2.

b6
b7C

of action seems to have the smallest risk of loss connected to it.

Based on the contractual relationship set forth in the Agreement of March 1st, my client has gone forward, together with its European partners, on all the arrangements for the production to start in June. There is a contractual commitment to the Director, to Artists and others which will involve substantial compensation if cancelled. In addition, the preproduction and legal expenses already incurred are considerable.

The commencement of this production was announced at Cannes to the film trade press and my clients' reputation in the industry will certainly be damaged if, through your present action, the film does not proceed.

As to the allegations in your letter, I will limit my comments at this time to the following:

- 1) There is ample documented evidence that Glen Ford and [REDACTED] were contracted for the film as long ago as January, but, as you are well aware, in completing your banking arrangements, which at that time envisaged a Letter of Credit for the entire guaranteed amount; there were continual delays finally resulting in the Agreement of March 1st.
- 2) The revised script and publicity material awaited you in Cannes where, as indicated in the formal notice regarding the delay, the promissory notes would have been exchanged.

b6
b7C

Apparently, you only advised Mr. Towers at the last moment that you would not be coming to Cannes. My clients have substantial claims against you if the production does not proceed, which may well exceed the funds they are presently holding.

I have asked my clients to prepare an assessment of the total cost involved in the cancellation of the production which, based on your letter, appears to be your desire. I shall be in touch with you again when those figures are available.

Yours very truly,

[REDACTED]

b6
b7C

KDJ/JM

F-5

①

MAY 19 1980

⑤

MAY 1

b6
b7C

May 14, 1980

Harry Towers
c/o VILLA PALMA
77 La Croisette
Cannes, FRANCE

Dear Harry:

This letter is to inform you that you should send back or direct \$ 100,000.00 to my office as soon as possible.

Your extension is denied! Delivery of the picture is delayed, it was supposed to be right behind Klondike Fever for a Christmas release. So, let's not fight it. You haven't got Ford, you haven't got [redacted] nor did you have them when you signed the agreement. I believe that you have misrepresented yourself. You promised me pictures, bios, etc., on Ford, [redacted] the boy and the dog, and I have absolutely nothing. You have given me nothing.

b6
b7C

You told me that I would be given a revised script, I have none. You told me that you would send me a letter releasing your hold on the TV, of which you popped on me at the last minute at 1 a.m. in Edmonton, this really was not a gentlemanly thing to do.

Your letter to Bank of America on April 24 1980, was very inappropriate and has caused several problems since the Letter of Credit # 101142 dated February 29 1980 is in favor of Torrington Distributors and not Klondike Fever Production Ltd.

In a letter dated April 24 1980, in paragraph 3 you make mention about some delays concerning your bankers, when in fact you created the problem. However, you did not allow me the courtesy of explaining the real reason for any credibility gap.

In the aforementioned letter you also wanted to advise [redacted] [redacted] that you were calling upon paragraph 6 (six) of our agreement (of which you verbally agreed to, saying it was only a convenience and would not be necessary). Your untimely notice did not have my notes attached as called for in the same paragraph.

b6
b7C

Page 2
Harry Towers / Cannes
May 14, 1980.

I must put you on notice that I will not continue in this slipshod manner that has occurred consistently through out our business dealings. I am hopeful that you will understand that you have not performed, in every instance, as promised, and promptly advise your bank to remit the \$ 100,000.00 to [redacted] otherwise you give me no other choice but to make them a party to my request, requiring them to supply reasons for the past problems.

I would much rather that you meet my request promptly and then I will be happy to discuss any other prospects or future business that you feel we could do.

I trust that your stay in Cannes will be both profitable and prosperous. I look forward to immediate receipt from you bank.

Sincerely,

[redacted]

cc. Harry Towers / Klondike Fever Productions Ltd., Canada

[redacted]

JLD:dc

b6
b7C

b6
b7C

KLONDIKE FEVER FILM PRODUCTIONS LIMITED

PLEASE REPLY TO:

390 BAY STREET
SUITE 1700
TORONTO, ONTARIO
M5H 2Y2

88 Charles Street East
Suite 807W
Toronto, Ontario
M4Y 14
CANADA
(416) 923-3581

24th April, 1980



b6
b7c

Gentlemen:

We refer to the letter agreement between us dated 1st March, 1980 in respect of the feature motion picture tentatively entitled "JACK LONDON'S SOUTHERN CROSS".

In accordance with the terms of Paragraph Six thereof we serve notice upon you that we intend to exercise our right to defer the start date of principal photography and that of delivery by up to sixty days.

As you are aware there was some delay in the receipt by our bankers from your bankers of the information required and they are still awaiting payment of a Promissory Note in our favour on another matter.

In consequence of this we considered it prudent to serve the above notice upon you though every effort will be made on our part to expedite both the start of principal photography and delivery.

We suggest that at our next meeting we exchange with you certain Promissory Notes which we are holding against new Promissory Notes for the amounts and due upon the dates set forth in Exhibit C of the aforementioned letter agreement of 1st March, 1980.

Yours sincerely,

for KLONDIKE FEVER FILM PRODUCTIONS
LIMITED

HAT:kmh

1st March, 1980

(B)

b6
b7C

Gentlemen:

This letter, when signed by you below, will constitute our agreement in respect of a feature motion picture tentatively entitled "Jack London's Southern Cross", (the "Picture").

The undersigned Film Accounting Services Limited ["Owner"] is the owner of all motion picture and customary ancillary rights in and to the literary material upon which the Picture will be based. The Owner will produce, or cause to be produced a feature length motion picture in color, in the English language, of a running time not less than 90 minutes and of technical quality suitable for exhibition in first class motion picture theatres in the United States. You agree to distribute, advertise and exploit the Picture in the "Territory" (hereinafter defined) upon and subject to the following terms and conditions:

b6
b7C

1. The budget of the Picture will be approximately US\$2,400,000. The Picture will be based upon a screenplay written by and a first draft of which you have read and approved. The Executive Producer will be Harry Alan Towers and the star will be Glen Ford or if he is not available a substitute approved by you. also will have approval of the director and principal cast. Such approvals shall be commensurate with the budgeted amounts for such items and upon the requirements necessary for the Picture to qualify as a "Canadian certified production."

b6
b7C

2. [] will have the right to distribute, exhibit,

advertise and exploit the Picture in all media; including theatrical, non-theatrical, television (including free, pay and cable television) audio-visual cassettes, video-discs, and any and all other media now known or hereafter devised, in and throughout:

The United States
The United Kingdom
Australia
New Zealand

and their respective territories and possessions; including in the case of a) the United States: Puerto Rico and the U.S. Virgin Islands; b) the United Kingdom: Eire, Gibraltar and c) Australia and New Zealand: the islands of the South Pacific customarily serviced therefrom; all ships and aircraft flying their respective flags; and all camps, bases, and installations of their respective armed forces, governmental agencies and industries, wherever located throughout the world (all herein referred to as the "Territory").

3. The term of [] license shall be a period of fifteen (15) years from the delivery of the Picture. [] shall have the right to renew this agreement for successive terms of fifteen (15) years by payment to FAS of the sum of \$1000, not less than six (6) months prior to the expiration of any previous fifteen (15) year term. Each and every such payment shall be deemed on advance against FAS' share of "Net Proceeds" (hereinafter defined) and shall be recouped by [] from FAS' share of such Net Proceeds thereafter accruing.

4. In connection with the exercise of television rights in the Territory, it is agreed as follows:

a) [] shall not license the US. network telecasting of the Picture for at least 24 months after the first United States commercial theatrical exhibition of the Picture;

b) Any United States network telecasting license shall provide for the customary advance telecasting over Canadian network facilities, provided however, [] shall have the exclusive right to telecasting in the Windsor, Ontario market in the English language version. FAS agrees not to authorize or permit

the telecasting of the Picture in any other language version prior to the conclusion of all U.S. network telecasts); and FAS shall have clearances for first telecasting in those Canadian markets whose signals are received in Bellingham, Washington, Fargo, North Dakota and Poland Springs, Maine.

5. Delivery of the Picture shall mean a) delivery to [] of a laboratory access letter in the form of Exhibit A attached hereto (the "Laboratory Access Letter") granting [] access to the items set forth on Schedule A attached to Exhibit A at a first class film laboratory in the United States designated by [] (which items shall be manufactured by [] at its expense from materials furnished on loan by FAS); and b) delivery to the Laboratory of the items set forth on Schedule B attached to Exhibit A.

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It is recognized by the parties that [] is not itself in the distribution business, but intends to sub-license part, or all, of the distribution rights granted to it hereunder.

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6. [] agrees, upon signing of this letter, to deliver to Owner and Owner acknowledges receipt of the following:

- (a) A Bankers Draft in the amount of \$US 100,000 endorsed in favour of the Owner
- (b) Ten Corporate Promissory Notes of [] each in the amount stated, and each personally endorsed by [] in favour of the Owner and due and payable on the dates set forth in the Schedule attached hereto as Exhibit B

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When paid to Owner, said total sum of \$US 800,000, above monies shall constitute a non returnable advance against owners share of the receipts from the Picture as set forth hereinbelow. In the event that any of the aforementioned Promissory Notes should not be duly honoured then the remaining Promissory Notes then outstanding shall forthwith become due and payable.

4.

It is Owners present intention to cause principal photography of the Picture to commence in April, 1980, to be completed in June, 1980 and to deliver the Picture to [] no later than 1st November, 1980.

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Should however for any reason Owner decide that it will be advantageous to defer the start date of principal photography and consequently the outside date of delivery by up to sixty days then Owner may do so upon giving written notice to []

no later than 1st May, 1980 whereupon Owner will return to []

the Promissory Notes set forth in the Schedule forming Exhibit B attached hereto and Owner undertakes to exchange these Promissory Notes for ⁶¹² ~~same~~ identical and identically endorsed Promissory Notes each in the same amount .

but due and payable on the adjusted dates set forth in the Second Schedule forming Exhibit C attached hereto.

Should for any reason whatsoever, other than the failure by [] to pay upon the dates stipulated the total sum as above, the start date be further delayed or the Picture be not delivered by the date or the revised date as above, Owner will forthwith repay the amount of \$US 100,000, plus any further amounts paid to Owner by [] hereunder.

This repayment is personally guaranteed by Harry Alan Towers as evidenced by his countersignature hereto.

7. [] shall account to FAS with respect to the Picture in the following manner:

- (a) All monies actually received by []
or any sub-distributor of []

in dollars in the United States, from the distribution and exploitation of the Picture shall constitute "Gross Receipts." Gross Receipts shall be apportioned and applied in the following manner:

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i) with respect to theatrical and television distribution [] shall first deduct the actual distribution fees of its sub-distributors, but in no event more than the following (which shall also constitute [] Distribution fees should it distribute the Picture itself, it being understood that [] for this purpose shall include any and all affiliates, subsidiaries, companies controlled by [] companies which control [] and companies under common control):

A) Theatrical Distribution:

United States [excluding Puerto Rico]	- 30%
Puerto Rico	- 35%
United Kingdom	- 35%
Australia, New Zealand	- 40%

B) Television Distribution:

U.S. prime time network	- 15%
U.S. late night network	- 20%
U.S. syndication and non-pay cable	- 35%
U.S. pay cable	- 25%
All foreign T.V.	- 40%
All other T.V. media (such as videodisc, audio-visual cassette)	- 15%

ii) Thereafter, from Gross Receipts then remaining [] or its sub-distributors shall deduct and retain all "Distribution Expenses" (As that term is normally and customarily defined in the motion picture industry) incurred.

iii) With respect to non-theatrical distribution, [] shall first deduct such Distribution Expenses as are attributable to non-theatrical distribution from the Gross Receipts derived from non-theatrical distribution, and shall then deduct as the distribution fee, 50% of the balance remaining.

iv) The balance then remaining of all Gross Proceeds shall constitute "Net Proceeds."

v) The parties acknowledge that, in connection with theatrical

distribution, in lieu of the fees described in ¶(a)(i) and the expenses described in ¶(a)(ii) it is possible to enter into sub-distribution arrangements on a so-called "gross basis" whereby the sub-distributor retains a higher percentage of the theatrical Gross Receipts and agrees to absorb therein all distribution fees and distribution expenses without accounting for such expenses (other than minimum or maximum amounts which may be required in the case of particular items such as positive prints or advertising); alternatively such arrangements may provide for first deducting certain expenses "off-the-top." Should ☐ elect to sub-license the theatrical distribution rights on such a gross basis for any country in the Territory, it is agreed that FAS shall have the right to approve the terms of such arrangement, provided that FAS shall not unreasonably withhold such approval. In such case the share of Gross Receipts paid to WEC shall constitute Net Proceeds hereunder.

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b) Net Proceeds shall be apportioned and applied in the following manner:

i) ☐ shall first deduct and retain from Net Proceeds a sum equal to US\$800,000, in recoupment of the non-returnable advance.

ii) A proportionate share of the balance of Net Proceeds then remaining shall belong to and be the sole property of ☐ Said proportion shall be 60% of such balance of Net Proceeds. The remaining 40% of such balance of Net Proceeds shall be payable by ☐ to FAS.

8) ☐ agrees to maintain regular and complete books and records with respect to its distribution and exploitation of the Picture. ☐ will render regular quarterly statements to FAS for the first two years following release of the Picture and thereafter semi-annually for two years and thereafter annually, within thirty (30) days following the close of each such period. FAS shall have the right to examine, copy and take extracts from all such books and records as they relate to the Picture.

9) ☐ shall have the right to cut and edit the Picture, and to accord itself a presentation credit, in discrete size on the screen and in paid advertising,

substantially in the form [redacted] presents."

In addition, [redacted] shall have the right, in and for the Territory only, to accord credit on the screen and in paid advertising to [redacted] as Executive Producer, in size equal to but not greater than that accorded to the individual producer, and similarly an Associate Producer, to be named by [redacted] should they so elect.

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10) This agreement shall not constitute a partnership or joint venture between the parties. This agreement shall be governed by the laws of the State of California. No representations have been made by either party with respect to the Gross Receipts or Net Proceeds which will or may be derived from the distribution and exploitation of the Picture.

11) The parties desire and intend to enter into a more formal agreement embodying such other terms and conditions which they may mutually agree upon and which are customary in agreements of this nature in the motion picture industry. However, until such more formal agreement is executed, this letter agreement shall constitute a valid and binding agreement between us.

Very truly yours,

FILM ACCOUNTING SERVICES LIMITED

By _____

Agreed and Accepted

[redacted]

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By _____

I personally guarantee the obligations of repayment set forth specifically in last two paragraphs of Paragraph 6 on Page Four hereof

EXHIBIT A

Date: , 1979

Re: "JACK LONDON'S SOUTHERN CROSS"
Motion Picture



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[Laboratory]

Gentlemen:

1. This is to inform you that we have licensed to the above distributor (hereinafter called "Distributor") the exclusive rights of distribution and exploitation, with respect to the above entitled Picture for a period of fifteen years from [] for the United States of America, its territories and possessions, Puerto Rico, and the United Kingdom, Australia and New Zealand.

You certify that there has been deposited with you the negative and other pre-print materials listed on Schedule A attached hereto from which commercially acceptable 35mm and 16mm positive release prints and other pre-print duplicating materials of the Picture can be manufactured. This is an expression of opinion only and not a warranty.

With respect to item 2 listed in Schedule A, the 35mm interpositive, such interpositive shall remain on deposit with you for a period of ninety days, to enable Distributor to manufacture therefrom at Distributor's expense, one or more 35mm and/or 16mm dupe negatives. At the expiration of said ninety days you will return said interpositive to us, or otherwise as we may designate. Legal title and ownership in and to (i) said interpositive, (ii) all other items listed on Schedule A hereto and (iii) all other negative or other pre-print materials and sound tracks manufactured by Distributor from the materials listed on Schedule A hereto shall remain in, or immediately upon the manufacture thereof shall vest in the undersigned Film Accounting Services Ltd. and all such material shall be held by you in the name of Film Accounting Services Ltd.

2. We hereby irrevocably authorize and direct you to honor, comply with and fill all orders for such pre-print material and release prints in any size, and other laboratory services and material from Distributor with respect to said Picture at Distributor's sole cost and expense and on such terms and conditions as you and Distributor shall agree.

3. You agree that you will not impose or attach any lien upon or against said Picture or any physical material in connection therewith held by you, by reason of any charges or obligations incurred by Distributor for laboratory services furnished by you to Distributor, and you will not make any claim against us for any charges which may be payable for any work aforesaid.

4. You further agree that you will accept and comply with any such orders you may receive from Distributor notwithstanding any lien which you may have with respect to any other party, subject only to payment by Distributor to you of your charges covering any orders for prints or other laboratory services placed by Distributor.

5. You further agree that you shall not remove or release or permit the removal or release of any pre-print material deposited by the undersigned with respect to said Picture and of any pre-print material manufactured by Distributor from your custody and possession, without the prior written approval of Film Accounting Services Ltd. except that you may transfer such negative materials to any successor laboratory designated by Film Accounting Services Ltd.. provided such successor laboratory is a first class United States film laboratory and first signs a letter identical to this Letter Agreement.

6. You shall have no obligation or liability to ascertain whether any orders placed with you by Distributor are for the purposes set forth above, and you may rely on these instructions with respect to any orders to be filled by you.

7. The above rights of Distributor shall also apply to any person, firm or corporation who may be authorized in writing by Distributor to place orders for prints or other laboratory work with you with respect to the Picture.

8. The undersigned Film Accounting Services Ltd. shall be entitled to give joint access to the materials listed on Schedule A hereto and to any pre-print materials manufactured by Distributor, to other licensees which may be distributing the Picture in other territories or on television, provided you shall not refuse to honor any orders of Distributor hereunder by reason of any unpaid charges incurred by any other party including ourselves.

Very truly yours,

FILM ACCCOUNTING SERVICES LTD.

By _____

Agreed To And Accepted:

[Laboratory]

By _____

SCHEDULE "A"

- (1) One 35mm color screening print of the Picture and trailer;
- (2) One 35mm interpositive of the Picture and the trailer thereto in suitable condition for the striking therefrom of commercially acceptable prints;
- (3) One international sound track of the Picture and the trailer thereto in suitable condition for the striking therefrom of commercially acceptable prints or alternatively if requested by Distributor, and if available, a three (3) stripe magnetic master sound track;
- (4) Neutral backgrounds of main and end credits, of the Picture;
- (5) Textless trailer.

EXHIBIT B.

1. \$US 125,000 on 1st November, 1980
2. \$US 100,000 on 1st February, 1981
3. \$US 50,000 on 1st March, 1981
4. \$US 50,000 on 1st April, 1981
5. \$US 50,000 on 1st May, 1981
6. \$US 50,000 on 1st June, 1981
7. \$US 50,000 on 1st July, 1981
8. \$US 50,000 on 1st August, 1981
9. \$US 50,000 on 1st September, 1981
10. \$US 125,000 on 1st October, 1981

SCHEDULE "B"

- (1) One full set of all music cue sheets of the Picture and the trailer thereto;
- (2) One copy of the complete English language dialogue sheet for the Picture;
- (3) One copy of the complete shooting script;
- (4) A complete statement setting forth the credits (billing) which the producer is contractually required to give to any persons in connection with the Picture;
- (5) Press books and samples of all advertising material which is available in respect of the Picture;
- (6) A. Black and White Still Photographs, 100 negatives and one positive print of still photographs taken or photographed by the producer in connection with said Picture. All of said negatives shall be either 35mm or 2 1/4 x 2 1/4 in size, and each such photograph shall be suitable for advertising and lithograph material and poster art-work. Each photograph shall bear notations identifying the persons and subject matter.

B. Color Still Photographs: 100 color transparencies taken or photographed by the producer in connection with said Picture. Each color transparency shall have annexed to it notations identifying the person(s) and subject matter appearing therein, and shall be suitable for reproduction for advertising in lithograph and letterpress processes.

EXHIBIT C

1. \$US 125,000 on 1st January, 1981
2. \$US 100,000 on 1st April, 1981
3. \$US 50,000 on 1st May, 1981
4. \$US 50,000 on 1st June, 1981
5. \$US 50,000 on 1st July, 1981
6. \$US 50,000 on 1st August, 1981
7. \$US 50,000 on 1st September, 1981
8. \$US 50,000 on 1st October, 1981
9. \$US 50,000 on 1st November, 1981
10. \$US 125,000 on 1st December, 1981



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1st March, 1980

Gentlemen,

"SOUTHERN CROSS"

We refer to the letter agreement between us of even date with reference to the abovenamed film.

We have further agreed that until all ten Promissory Notes referred to in the Schedule and Second Schedule in Exhibit B and C forming attachments to the abovementioned letter agreement have been duly honoured we shall have a first charge on all income derived from the television rights in the Picture other than Home Box Office and shall be entitled to serve notice to third parties to this effect.

Yours truly,

FILM ACCOUNTING SERVICES LTD

and confirmed



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(A)

BIOGRAPHY

HARRY ALAN TOWERS

Born London, England, 19th October, 1920.

Father well known theatrical manager. Toured England and appeared on London stage as child actor.

At age of 19 became prolific freelance radio writer and continued in this capacity for five years during which devised and wrote many popular BBC series including classic wartime successes such as "MUCH BINDING IN THE MARSH" and "THE TOMMY HANDLEY SHOW".

Volunteered for the Royal Air Force in 1940.

In 1941 seconded to and ultimately became Programme Director and Commanding Officer of the Overseas Recorded Broadcasting Service, a British combined services unit which produced some fifty hours a week of recorded radio programmes for British Forces Broadcasting Stations overseas.

In 1945, on leaving the RAF, founded the Towers of London Organisation, a group of companies with offices in London, Toronto, New York, Sydney and Johannesburg.

In following ten years the Towers of London Organisation produced and distributed over 20,000 hours of recorded radio programmes featuring such stars as NOEL COWARD, GRACIE FIELDS, ORSON WELLES, LAURENCE OLIVIER, MICHAEL REDGRAVE, JOHN GIELGUD, ALEC GUINNESS and such series as "HORATIO HORNBLOWER", "THE SCARLET PIMPERNEL", and "THE LIVES OF HARRY LIME" and many more together with music and variety series starring VERA LYNN and MANTOVANI and talk and music series featuring personalities of the calibre of J.B. PRIESTLY and SIR THOMAS BEECHAM.

These series were broadcast on all the major American Networks, NBC, CBS, ABC and Mutual, in Canada on CBC and independent stations and throughout the English speaking world.

In 1955 became one of the founders, a director and the largest personal shareholder in Associated Television Ltd., now one of the biggest of the British Commercial Television Programme Contractors and owners of ITC, the television programme producers and distributors.

In 1955 Programme Director of Associated Television for the commencement of Commercial Television in the U.K.

Resigned in 1956 to become once again an independent programme producer.

In this capacity produced numerous television series seen in the USA, UK and elsewhere including "MARTIN KANE", "DIAL 999", "THE MANTOVANI SHOW" and "TALES FROM DICKENS".

In 1960 entered the field of feature film production and since then has produced, and in many cases written, over fifty feature films.

These include:

JACK LONDON'S "CALL OF THE WILD" Starring CHARLTON HESTON
ROBERT LOUIS STEVENSON'S "TREASURE ISLAND" Starring ORSON WELLES
"BLACK BEAUTY" Starring MARK LESTER
AGATHA CHRISTIE'S "TEN LITTLE INDIANS" first in Black and White, Starring HUGH O'BRIEN, STANLEY HOLLOWAY and WILFRED HYDE WHITE, then, more recently, in Colour Starring OLIVER REED, RICHARD ATTENBOROUGH, ELKE SOMMER and HERBERT LOM
OSCAR WILDE'S "DORIAN GRAY" Starring HELMUT BERGER
Five popular thrillers based on the character created by SAX ROHMER, "FU MANCHU" Starring CHRISTOPHER LEE and others
"COUNT DRACULA" Starring CHRISTOPHER LEE
RIDER HAGGARD'S "KING SOLOMON'S TREASURE" Starring DAVID MACCULLUM and BRITT EKLAND
EDGAR WALLACE'S "SANDERS OF THE RIVER" Starring RICHARD TODD
JULES VERNE'S "ROCKET TO THE MOON" Starring BURL IVES and TERRY THOMAS
"OUR MAN IN MARRAKESH" Starring TONY RANDALL and SENTA BERGER
"TWENTY FOUR HOURS TO KILL" Starring MICKEY ROONEY and LEX BARKER
"MOZAMBIQUE" Starring STEVE COCHRAN and HILDEGARDE KNEFF
"COAST OF SKELETONS" Starring RICHARD TODD
MARQUIS DE SADE'S "JUSTINE" Starring JACK PALANCE, ROMINA POWER and AKIM TAMIROF
"99 WOMEN" Starring MERCEDES MCCAMBRIDGE, MARIA SCHELL and HERBERT LOM and many more.

Has produced films or television series in thirty different countries including England, Ireland, France, Germany, Spain, Italy, Czechoslovakia, Hungary, Hong Kong, the Lebanon, Morocco, Egypt, Switzerland, Zambia, South Africa, Iran, Portugal, Austria, the Phillipines, Brazil, Martinique, Turkey, Rhodesia, USA & Canada, Belgium, Denmark and Norway.

Recently completed as Executive Producer filmisation of H.G. WELLS "THE SHAPE OF THINGS TO COME".

Executive Producer JACK LONDON'S "KLONDIKE FEVER" filmed in Canada in 1979 and nominated for nine 1980 Genie awards.

[REDACTED]

July 23rd, 1980

[REDACTED]

Dear [REDACTED]:

I have written to you in the past, on the recommendation of [REDACTED] of New York, and I hope to have definite instructions on that issue in the near future.

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On another matter, [REDACTED] acts in [REDACTED] for Mr. Harry Alan Towers for whom I act in [REDACTED]. Mr. Towers is a well-known British film producer, presently resident in Canada, and I attach a brief resume of his career so that you are aware of his status in the industry (Attachment A). His name can be found in any standard U.S. film trade directory, such as Quigley's Motion Picture Year Book, where a substantial entry confirms that has personally produced approximately fifty major feature films over the past twenty years.

Mr. Towers has a production company, Klondike Fever Film Productions Ltd., for which I also act, which produced his most recent film last year entitled Jack London's Klondike Fever starring Rod Steiger, [REDACTED] Lorne Green and others.

The matter on which I would like you to represent my client concerns a [REDACTED] an experienced American film executive who lives in [REDACTED]. (Home telephone number [REDACTED] office [REDACTED] address [REDACTED]). Mr. Towers and [REDACTED] have been acquainted for a number of years and on occasions [REDACTED] works with Mr. Towers on a freelance basis [REDACTED] and [REDACTED] for Mr. Towers' productions.

Some days ago [REDACTED] received a telephone call from an agent in the offices of the FBI in Los Angeles enquiring

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July 23rd, 1980

[redacted]

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about [redacted] involvement in a proposed film Southern Cross. [redacted] replied to the effect that his sole involvement had been in negotiating for the services of Mr. Glen Ford, but that he understood that the production had been indefinitely postponed due to the fact that the American distributor, a [redacted] had withdrawn from the venture. The agent still wished [redacted] to come and see him but, on our advice, [redacted] advised the agent that he wished his lawyer to accompany him and it is in that capacity that we would like you to act. I am sending a copy of this letter to [redacted] I would like you and he to discuss it and then arrange for the FBI interview. I would like to come to Los Angeles and attend that meeting with you both, so would you please set it on a tentative basis with about ten days lead time, and then confirm it with me.

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I assume that [redacted] has made some complaint to the FBI concerning our clients and we are concerned that the matter should be disposed of without delay and our client's name cleared of any accusations that may have been made.

I will try and make the following summary as brief as possible but it is clearly necessary that you should be fully informed of our client's dealings with [redacted]

Mr. Towers was first introduced to [redacted] at the Cannes Film Festival in May of last year. [redacted] lives in [redacted] where I understand his principal business is [redacted]. He has also dabbled in the film industry as an [redacted]. He is the principal of a company called [redacted] [redacted] expressed keen interest in obtaining [redacted] in the film Klondike Fever, which were at that time committed to another company. He also expressed interest in another property which Mr. Towers was planning to make, based loosely on some of Jack London's South Sea stories and entitled Southern Cross. Mr. Towers gave him the screenplay which he read and liked. Negotiations continued over a period of months and [redacted] made two trips to Canada.

On the second of these occasions, a method was worked out whereby [redacted] might participate in the [redacted] Klondike Fever and he entered into a provisional agreement whereby he was also [redacted] Southern Cross, providing a guaranteed advance for the latter film of

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July 23rd, 1980

[redacted]

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\$800,000.00 (U.S.) by way of Letter of Credit from the Bank of America, said Letter of Credit to be payable solely against a Laboratory Letter confirming that the film was complete and available. Mr. Towers then proceeded to make various commitments for the production of the film. [redacted] approached Mr. Glen Ford's agent, Mr. Ford read the script and terms were agreed whereby Mr. Ford was to appear in the film for a fee of \$200,000.00 (U.S.). The production start date was scheduled for early 1980, but there were continuing delays in [redacted] providing the Letter of Credit. Finally, as an interim measure, [redacted] proposed to provide a Letter of Credit for \$100,000.00 (U.S.) to secure Mr. Glen Ford. The Letter of Credit, in draft form was so conditional as to be useless and in fact was never provided.

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In January, terms were agreed whereby [redacted] would [redacted] of Klondike Fever and would enter into an agreement to this effect with a Canadian company representing the Canadian investors to whom the film had been sold as a tax deferral scheme. A guarantee of \$250,000.00 (U.S.) was to be part of the transaction.

In January, Mr. Towers visited Mexico where Southern Cross was to be filmed, together with [redacted] a well-known Italian [redacted] who had been engaged for what had already been submitted to the Canadian and Italian authorities as a co-production film. Mr. Towers entered into further commitments and preproduction expenditures. Klondike Fever was to have its North American premiere in Edmonton, Alberta at the beginning of March and [redacted] had been invited to attend. However, by the end of February the Letter of Credit for Southern Cross had still not materialized and it became clear that whilst [redacted] bankers might be prepared to issue a standby Letter of Credit for \$250,000.00 (U.S.) on the Klondike Fever agreement, they would not support him on the Southern Cross transaction. [redacted] then proposed to make a cash payment of \$100,000.00 (U.S.) and to provide Promissory Notes from his company due on a series of dates, with the exception of the first, after the delivery of the film and spread over 1981. Mr. Towers was most unhappy but as plans for the film were so far advanced, agreed to accept. In Edmonton the final details were agreed and agreements were entered into in respect of the two films.

The Klondike Fever agreement was between [redacted] company and Torrington Distributors Inc., a company in which

/Cont...

July 23rd, 1980

[redacted]

Mr. Towers has no interest, and which represented the Canadian investors. This agreement was signed by the executive director of the Canadian company who was present in Edmonton and approved its terms.

The Southern Cross agreement was between [redacted] company and Film Accounting Services Ltd., a Bahamian company with which Mr. Towers has a continuing business arrangement and which represents him for selling purposes. Klondike Fever Film Productions Ltd., though not a party to the agreement, was to be the Canadian production company. I attach a copy of the executed agreement (Attachment B). I would draw your attention to Paragraph 6 which relates to the financial terms and the start date of production which Mr. Towers is entitled to defer at his absolute discretion until June 1980 on giving notice no later than 1st May.

Mr. Towers received a certified cheque in favour of Film Accounting Services Ltd. for \$100,000.00 (U.S.) together with the Promissory Notes, all of which he lodged with his bankers, the Canadian Imperial Bank of Commerce, who had provided the financing for his two most recent films. They had originally been approached by Mr. Towers on the basis of a Bank of America Letter of Credit and before proceeding on the new basis, they naturally required information from [redacted] bankers. Despite every effort, it was late April before this information reached them but by now another problem had developed.

As part of the distribution arrangements for Klondike Fever [redacted] had given a Promissory Note for \$25,000.00 (U.S.) to Klondike Fever Film Productions Ltd. due upon 1st April, 1980 as payment for materials and services they had provided. That note was delivered to the same bank. The Note was dishonoured and [redacted] as justification claimed that Torrington Distributors Ltd. had undertaken to provide certain releases and had failed to do so. Whatever the equities of that situation, the dishonouring sufficiently troubled Mr. Towers' bankers that he decided in the above circumstances to exercise his option to delay the start date. Notice was served on [redacted] company by way of a letter dated 24th April, 1980 (Attachment C). Perhaps this notice should have properly come from the contract partner, Film Accounting Services Ltd., rather than the production company, Klondike Fever Film Productions Ltd., but I do not think this is material.

After notice had been served, I personally talked at some length to [redacted] I pointed out to him that Mr. Towers

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July 23rd, 1980

[redacted]

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could hardly expect his bankers to advance him money secured by \$700,000.00 (U.S.) worth of Promissory Notes whilst they held a dishonoured Note for \$25,000.00 (U.S.) from the same party. Eventually some time in May, the Note for \$25,000.00 (U.S.) was paid. Mr. Towers was in Europe at the time of the Cannes Festival and he entered into many commitments both alone and with his Italian partners so that production could commence in Mexico in June. He also announced the production to the trade press where it was widely publicized. At no time up to then had [redacted] indicated that he did not wish to continue his commitment to the film. Indeed, he had arranged to meet Mr. Towers in Cannes where Mr. Towers had, at his request, made hotel reservations. Mr. Towers suggested to him that the two of them could, while in Cannes make arrangements so that their respective banks could exchange some of the Promissory Notes for others of a later maturity date as provided for in the agreement. Mr. Towers had with him in Cannes the revised and final screenplay and publicity materials and had arranged with [redacted] they would discuss there the final casting and other production arrangements.

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At the very last moment when Mr. Towers' office in Toronto checked to confirm his arrival times, [redacted] cancelled his trip. However, there was again no mention of any change of heart on [redacted] part.

Mr. Towers returned to Canada after the Cannes Festival in late May, intending to proceed as quickly as possible to Mexico to prepare for the shooting. He was amazed to receive on his return via [redacted] a copy of a letter from [redacted] dated 14th May (Attachment D). The original of that letter had not reached him in Cannes and in fact has never reached him.

After consultation with myself Mr. Towers requested me to write to [redacted] which I did on 28th May (Attachment E). Neither I nor Mr. Towers had any response whatsoever from [redacted] and consequently I wrote him again on 10th July (Attachment F).

[redacted] only direct involvement in this whole matter was in connection with Glen Ford, though he is familiar with and can confirm, if required, many of the above circumstances. Mr. Towers certainly had a commitment with Mr. Ford, but in view of all the previous delays, [redacted] recommended that we should only finalize his start date when we were in a position to place his whole salary of \$200,000.00 (U.S.) in escrow.

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July 23rd, 1980

[redacted]

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Mr. Towers was ready to finalize this date when [redacted]
[redacted] letter caused him to immediately cease from making
further commitments.

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Although Mr. Ford and his agent might well claim losses
occasioned by the continuing delays, no money was paid to him
nor at this present time does any potential liability form
part of the monies we are claiming from [redacted]
Contractual arrangements had also been set with [redacted]
[redacted] can confirm this as he was directly
involved in the negotiations.

I cannot see how it can be claimed that my clients have been
guilty of any conduct justifying the enquiries of the FBI
and I trust you will be able to satisfy them accordingly.
I see no reason, if you agree, why they should not have
copies of all the attachments, and of this letter.

Assuming that you are prepared to act for my clients, I enclose
herewith their cheque for \$1,000.00 (U.S.) on account of your
fees and expenses.

If there are any points which you would like to clarify,
please telephone me before the meeting with the FBI takes place.

Again, my apologies for the length of this letter.

Yours sincerely,

[redacted]

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b7C

KDJ/rd

Enc.

c.c. [redacted] ✓

Mr. Harry A. Towers

LOANOUT AGREEMENT

THIS AGREEMENT made on the day of November
19 79, between FILM ACCOUNTING SERVICES LIMITED (hereinafter
referred to as "Borrower") and GWYLLYN PRODUCTIONS, INC.
(hereinafter referred to as "Lender"),

W I T N E S S E T H:

In consideration of the covenants and conditions herein contained and other good and valuable consideration, the parties agree as follows:

SECTION I

GENERAL AGREEMENTS AND PAYMENT

1. Warranties and Services. Lender hereby represents and warrants that Lender has a valid, binding and subsisting contract with **GLENN FORD** (hereinafter referred to as "Artist") under which Artist is obligated to render Artist's services exclusively for Lender for at least the full term of this agreement; and that by the terms of such contract between Lender and Artist, Lender has the right to enter into this agreement with Borrower for the furnishing of Artist's services to Borrower hereunder and to grant to Borrower the services and rights hereinafter set forth; that Lender is, and has been for more than thirty (30) days prior to the date hereof, a corporation duly organized and existing under the laws of Lender's state of incorporation; that Lender is a bona fide corporate business entity established for a valid business purpose within the meaning of the tax laws of the United States and not a mere sham, conduit or agent for Artist. Lender further acknowledges that the foregoing representations and warranties will be relied upon by Borrower for the purpose of determining whether or not it is necessary to make withholdings for United States Federal Taxes, and other deductions from monies being paid to Lender hereunder, and Lender agrees that if withholdings are not made from said

payments, and if thereafter it is determined that such withholdings were legally required, Lender and Artist will indemnify Borrower against all loss, costs, damages and expenses relating thereto.

Lender agrees that it will discharge all obligations of an employer imposed by law including payment or withholding of taxes, unemployment, disability insurance and social security and shall make all contributions and payments required by any applicable collective bargaining agreement in connection with the compensation payable to Lender for Artist's services rendered hereunder.

Lender agrees to furnish to Borrower the services of Artist to render Artist's services as an actor to portray the role of "The Captain" in the motion picture photoplay tentatively entitled "Jack London's Southern Cross" (hereinafter referred to as the "Photoplay").

2. Term of Services. The term of Artist's services hereunder shall commence on or about January 21, 1980 on which date Lender agrees to cause Artist to report to Borrower at the location designated by Borrower in either Mexico or the Philippines (such designation to be notified by Borrower at least twenty days prior to such commencement date), provided however that Borrower may change such location site to any other country or area subject to Lender's prior written approval, such approval not to be unreasonably withheld,

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~~at~~ _____, for the rendition of Artist's services and shall continue thereafter for such time as Borrower may require Artist's services in connection with the production of the Photoplay. Subject to the obligation of Borrower to pay Lender compensation for the minimum period of services hereinafter provided for, which obligation in turn is subject to the provisions of SECTION V hereof, Borrower may terminate Artist's services hereunder at any time.

3. Payments. On condition that neither Lender nor Artist is in default hereunder and as full consideration for all services rendered and all rights granted and agreed to be granted by Lender to Borrower hereunder, and subject to all of Borrower's rights under this agreement, Borrower agrees to pay to Lender and Lender agrees to accept compensation at the rate of ONE HUNDRED THOUSAND DOLLARS (\$100,000) per week for each week during the term hereof during which Artist renders his services hereunder; provided, that subject to Borrower's rights of suspension and termination as hereinafter provided, Borrower shall pay such compensation to Lender for not less than TWO (2) consecutive weeks ^{each consisting of 6 days} (hereinafter referred to as the "guaranteed period"). ~~No compensation shall be payable for the first () consecutive weeks (hereinafter referred to as the "free weeks") immediately following the guaranteed period, inasmuch as the compensation theretofore paid or payable shall be deemed to include compensation for services during the free weeks. The free weeks referred to in the previous sentence shall be subject to all of Borrower's rights of suspension, termination and extension as hereinafter set forth. The () week period consisting of The guaranteed ^{sometimes} period plus the free weeks is herein/referred to as the "minimum~~

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period of services." Lender's compensation hereunder shall commence to accrue when Artist reports to Borrower at the place and on the date specified in Paragraph 2, above, for the commencement of the term hereof. Compensation for any period of less than a week shall be prorated and for this purpose the rate per day shall be one-sixth (1/6) of the said weekly rate. No increased or additional compensation shall accrue or be payable to Lender by reason of the fact that any of Artist's services are rendered at night or on Saturdays, Sundays or holidays or after the expiration of any particular number of hours of service in any period.

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No later than January 2, 1980, the sum of \$100,000 will be deposited by Borrower with Security Pacific National Bank (the "Bank") at 13352 Riverside Drive, Sherman Oaks, California, 91423, in the Trust Account of Grant Management, PROVIDED that at or prior to such deposit an Escrow Letter in the form of Exhibit B attached hereto shall be executed by Lender and the Escrow Agent named therein, which shall provide, among other things, for said sum to be applied to payment of the compensation accruing to Lender hereunder in respect of the second week of the minimum period of services. Compensation for the first such week shall be paid to Lender at the end of such week, and all of Lender's compensation shall be paid by check made payable to Lender and forwarded to Lender at c/o [] 8560 Sunset Boulevard, Suite 605, Los Angeles, California, 90069, whose receipts therefor shall be binding upon Lender.

No increased or additional compensation shall accrue or be payable to Lender in respect of any uses of the Photoplay by Borrower, or its licensees, assignees, or successors

Borrower agrees to reimburse Lender for Lender's payments, if any, on account of social security, state disability insurance and unemployment insurance. However, Lender agrees that contributions to the Screen Actors Guild Pension, Health and Welfare Plans are not required hereunder, and Borrower shall have no obligations in respect of any such payments in connection with the services of Artist hereunder. In no event shall the aggregate amount of such reimbursement exceed the total of all similar payments which Borrower would be required to make had Borrower employed Artist directly. Such reimbursement shall be made to Lender promptly upon submission to Borrower of Lender's invoice accompanied by vouchers and other documents evidencing the amounts of such payments made by Lender.

SECTION II

SERVICES OF ARTIST

4. General Services. Throughout the term hereof Lender shall cause Artist to: advise Borrower of Artist's whereabouts so that Artist may be reached at any reasonable hour of the day or night; render Artist's services solely and exclusively for Borrower, and at all times required by Borrower, including nights, Saturdays, Sundays and holidays; promptly and faithfully comply with all instructions, directions, requests, rules and regulations made or issued by Borrower; perform and render Artist's services conscientiously and to the full limit of Artist's ability at all times when and wherever required or desired by Borrower and as instructed by Borrower in all matters, including those involving artistic taste and judgment. Without limiting the generality of the foregoing, Lender shall cause Artist, if, as and to the extent requested by Borrower to: perform and render services as an actor in the said role; record Artist's voice and other sound effects, and in addition, render Artist's services in the making of electrical transcriptions for radio broadcasting purposes and in the making of films and other devices for television purposes, for use in connection with the advertising, publicity and exploitation of the Photoplay; sing and play such musical instruments as Artist is capable of playing in connection with the rendition of any of Artist's other services; and render any other services incidental to the rendition of the services enumerated in this paragraph and in Paragraphs 5 and 6 hereof.

5. Preliminary and Ancillary Services. In addition to Artist's services in the portrayal of Artist's role in the Photoplay, Lender^{*} shall cause Artist, throughout the period of three (3) days immediately preceding the commencement

^{*}if requested by Borrower by notice in writing given concurrently with the notice referred to in 4.2.

of the term hereof and throughout the term hereof, to report to such studios or other places as Borrower may designate for the rendition of Artist's services in connection with rehearsals, consultations and discussions, tests, wardrobe fittings, prerecording and other preliminary and preparatory activities in connection with Artist's services hereunder. Such services shall be rendered without any additional compensation inasmuch as the compensation payable to Lender pursuant to the provisions of Paragraph 3 shall be deemed to include payment for such services.

6. Retakes. If Borrower requires Artist's services in connection with the Photoplay after the completion of Artist's services in connection with principal photography of the Photoplay, /as set forth in ¶2 hereof, or the expiration of the minimum period of services, whichever is later, for additional photography and/or recording, including, but not limited to, retakes, changes, added scenes, process shots, looping, transparencies, trick shots, sound track/wild lines, trailers (herein collectively referred to as "retakes") and/or foreign versions, Lender shall cause Artist to render such services as required by Borrower from time to time. Artist shall be obligated to render such services hereinabove so requested, /upon not less than five days written notice from Borrower, unless Artist is unavailable due to other actual commitments in the entertainment industry, in which event, however, Lender shall cause Artist to cooperate with Borrower to the fullest extent in making Artist's services available for such purposes, except, however, that if the completion of Artist's services in connection with principal photography of the Photoplay ends prior to the expiration of the minimum period of services, Lender shall cause Artist to be available to Borrower for the rendition of said additional services hereinabove required by Borrower during the unexpired balance of said minimum period of services and Lender shall cause Artist to so contract for the Borrower's protection

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and Lender shall also itself so contract. Subject to the provisions hereinbelow contained relating to free days for looping, etc., compensation shall be payable for such additional services at the daily rate specified in Paragraph 3 hereof, and in the same manner as therein specified, but shall be payable only for the days on which such services are actually rendered; provided, however, that no compensation shall be payable for such services to the extent that they are required or rendered during said unexpired balance of the minimum period of services or during any period for which Borrower is otherwise obligated to pay or has paid compensation to Lender. If after the end of the guaranteed period Borrower requires Artist's services for "retakes", Lender shall cause Artist to report at such place or places and on such day or days as Borrower may designate, provided Artist's services are not unavailable due to another contractual commitment. The period for rendering services for "retakes" referred to in the foregoing sentence is hereinafter referred to as the "availability period". Lender shall not be entitled to receive any additional compensation during said availability period except for services actually rendered by Artist, but Borrower shall furnish Artist or reimburse Artist for living expenses during said period, as provided in Paragraph 8 hereof, regardless of whether Artist renders any services during said availability period. For each day on which Artist renders services hereunder during said availability period and for each day during which Borrower requires Artist to remain available for such services, regardless of whether Artist renders

any services, Lender shall be entitled to receive additional compensation at the daily rate specified in Paragraph 3 hereof. Notwithstanding anything hereinabove contained to the contrary, no additional compensation shall be payable to Lender for the first two days, after the date of commencement of the availability period, for services of Artist for sound track, looping and wild lines inasmuch as the compensation specified in Paragraph 3 hereof shall be deemed to include consideration for such two days of services. Said two days need not be only if Artists's services on said two days are rendered in the L.A. area. consecutive/ If, in connection with such availability period Borrower shall require Artist to travel in order to render Artist's services pursuant to the provisions of this paragraph, then Borrower shall furnish or reimburse Artist for transportation (first-class, if available) to the place designated by Borrower and return transportation (first-class, if available) actually used, but in no event to exceed the cost of transportation to the place from which Artist came.

7. Publicity. Whenever Artist is rendering or is obligated to render Artist's services pursuant to this agreement, and thereafter at such times and places as Borrower may require, subject to Artist's availability by reason of actual commitments and upon reasonable advance notice in the entertainment industry/ Lender shall cause Artist, if, as and to the extent requested by Borrower, to: cooperate with Borrower in such manner as Borrower deems necessary or desirable for the purpose of advertising and exploiting the Photoplay and/or the name and/or the voice and/or photographs or physical likenesses of Artist. The services to be rendered by Artist in this connection shall include, but not be limited to services for publicity interviews, publicity stills and the making of electrical transcriptions for advertising purposes. If Borrower shall require Artist to

travel in order to render the services provided in this paragraph, then Borrower shall furnish Artist with or reimburse Artist for the cost of transportation (first-class, if available) to the place designated by Borrower and return transportation (first-class, if available) actually used, but in no event to exceed the cost of transportation to the place from which Artist came, and Borrower shall furnish or reimburse Artist for living expenses during the period that Artist is rendering such services, as provided in Paragraph 8 hereof. If Artist is unable to render Artist's services provided for in this paragraph by reason of such other commitment, Lender agrees to cause Artist to cooperate with Borrower in making such services available to Borrower as and when required by Borrower. The services provided for in this paragraph shall be rendered by Artist without any additional compensation therefor to Lender inasmuch as the compensation payable to Lender pursuant to Paragraph 3 hereof shall be deemed to include compensation for such services.

SECTION III

TRANSPORTATION, CREDIT, WARDROBE

8. Transportation and Expenses. In addition to Lender's compensation hereunder, Borrower agrees to furnish or pay the cost of round-trip transportation (first-class, if available) and one other person for Artist from Los Angeles, California to such place or places in which Borrower may require Artist to render Artist's services hereunder,/*Notwithstanding any provisions of this agreement obligating Borrower to furnish or pay for Artist's return transportation, Borrower shall have no such obligation to furnish or pay for Artist's return transportation unless Artist returns within one (1) week after completion of the applicable services of Artist and/or if, prior to Artist's return,

*whenever Artist is rendering services hereunder, whether during the guaranteed period or at any other time. In case the designated location is the Philippines, Artist and such other person shall be entitled to stop over in Hawaii both enroute from and upon return to Los Angeles, for not more than two days and Borrower shall furnish Artist and such other person with first class accommodations and all reasonable living expenses during such stopovers.

Artist shall render services in the entertainment industry for any other person, firm or corporation. Lender shall cause Artist to use the method, means and devices of transportation furnished or designated by Borrower in connection with any travel which Artist is required to undertake pursuant to the terms of this agreement. *

Borrower shall also pay Artist, in lieu of Artist's other living expenses, the sum of _____ per week while Artist is rendering services for Borrower hereunder at such place or places as Employer requires outside of a radius of fifty (50) miles from Los Angeles, California. Said sum may be paid, at Borrower's election, in the currency of the country in which Artist's services are rendered. Any sums paid or payable to Artist in lieu of living expenses shall be prorated on the basis of one-seventh (1/7) for each day of any fractional week. No expenses shall be paid for travel days, except for the Hawaii stopovers referred to above.

9. Credit. On condition that neither Lender nor Artist is in default hereunder and on the further condition that the Photoplay is released and Artist's role is retained in the Photoplay as finally released and Artist appears recognizably in such role, Borrower shall accord to Artist the credits provided in Exhibit A attached hereto and by this reference made a part hereof, by providing the distributor with a negative mentioning Artist's name in the manner specified in said Exhibit A and by requiring the distributor, by written agreement with Borrower, not to delete or change the credit as provided on such negative, and by mentioning Artist's name as provided in said Exhibit A in all paid advertising, in connection with the Photoplay, issued by Borrower or, under Borrower's control, by the distributor(s). The provisions of this Paragraph 9 and the provisions of Exhibit A

*Borrower shall also furnish the Artist and one other person first-class (if available) lodging accommodations, or if on location, with a two-bedroom Mobile Dressing Room-Trailer, or the equivalent thereof.

shall not apply to so-called "teaser" and/or special advertising, publicity and/or exploitation relating to the Photoplay or screenplay upon which the Photoplay is based, to any members of the cast, to the authors, directors, producers or to similar matters; to so-called "trailer" or other advertising on the screen or by radio or television; to institutional, group or list advertising; to other advertising not relating primarily to the Photoplay; to advertising in narrative form; to credits on the screen at the end of the Photoplay; to newspaper or other periodical advertising occupying less than eight (8) columnar inches of space; to by-products or commercial tie-ups; or to advertising of such nature that Artist has not granted consent to the use of Artist's name in connection therewith/* Subject to the provisions of said Exhibit A and subject to the foregoing, Borrower shall determine in its discretion the manner and mode of presenting Artist's credit. Failure of persons other than Borrower to comply with their contract with Borrower shall not constitute a breach of this paragraph by Borrower. No casual or inadvertent failure to comply with the provisions of this paragraph shall constitute a breach of this agreement. Lender and Artist recognize that in the event of a failure or omission by Borrower constituting a breach of its obligations under this paragraph, the damage, if any, caused Lender and/or Artist by such breach is not irreparable or sufficient to entitle Lender and/or Artist to injunctive or other equitable relief. Lender, therefore, on its own behalf and on the behalf of Artist, agrees that Lender's and/or Artist's rights and remedies hereunder shall be limited to the right, if any, to obtain damages at law, and neither Lender nor Artist shall have the right in such event to injunctive relief or to rescind this agreement or any of the rights assigned to Borrower hereunder.

*(all hereinafter called "Excluded Advertising").

10. Wardrobe. Lender shall cause Artist to furnish all modern street wardrobe for the portrayal of Artist's role in the Photoplay only to the extent that such wardrobe owned by Artist is appropriate for use by Artist in the portrayal of Artist's role. Borrower will be responsible for any damages to wardrobe furnished by Artist at the request of Borrower. Borrower shall supply all other wardrobe and costumes required for the portrayal of Artist's role. Any wardrobe or costumes furnished by Borrower shall be furnished solely for the purpose of enabling Artist to perform Artist's role in the Photoplay and the same shall remain Borrower's property and be returned by Artist on or before the completion of Artist's services hereunder. In no event shall Borrower be required to furnish shoes, hosiery or underclothing (other than "character" or "period" shoes, hosiery or underclothing) necessary for the portrayal of Artist's role in the Photoplay.

SECTION IV

GRANT OF RIGHTS

11. Rights Granted. Lender grants to Borrower all rights of every kind whatsoever, whether now known or unknown, exclusively and perpetually, in and to Artist's services performed pursuant to this agreement and in and to all the results and proceeds thereof. Without limiting the generality of the foregoing, and in part in addition thereto, Lender makes the following additional grant of rights to Borrower.

(a) Photography and Recordation and Their Use.

Lender grants to Borrower the sole and exclusive right to photograph or otherwise reproduce all or any part of Artist's performances, acts, poses, plays and appearances of every kind and nature made or done by Artist in connection with

11.

the Photoplay; to record or otherwise reproduce, by any present or future method or means, Artist's voice and all musical, instrumental or other sound effects produced by Artist and to reproduce, re-record and transmit the same either separately or in conjunction with such performances, acts, poses, plays and appearances as Borrower may desire; and perpetually to exhibit, transmit and reproduce, and license others to exhibit, transmit and reproduce (whether by means of printing, motion pictures, radio, television, televised motion pictures, whether theatrically or nontheatrically, and including all forms of commercially sponsored, sustaining, pay-as-you-go, or other kinds of television, and in conjunction with the advertising of any commodity, service or product, or otherwise, as Borrower may determine in its sole discretion, or any other means now known or unknown) any of such reproductions, recordations and transmissions in connection with the Photoplay, or the advertising or exploitation of the Photoplay.

(b) Advertising and Exploitation. Lender grants to Borrower, in addition to and apart from the use of Artist's name, likeness and voice in said Photoplay, the perpetual right to use, and to allow others to use, Artist's name and pictures, photographs and other reproductions of Artist's voice and of the instrumental, musical and other sound effects produced by Artist, in and in connection with the advertising and exploitation of the Photoplay; also, in and in connection with the advertising and exploitation of any other products, commodities, or services in so-called commercial tie-ups (as that term is commonly known and used in the motion picture industry, including but not

limited to soundtrack albums, novelizations, printed programs and other publications) relating to the Photoplay, but Borrower will not, without Artist's written consent, permit the advertiser to advertise or announce that Artist endorses or uses the advertiser's product. Without limiting the generality of any rights herein elsewhere granted, Borrower shall have the right to televise portions of the Photoplay, including those in which Artist appears, for the purpose of advertising and exploiting the Photoplay, and to otherwise utilize excerpts or portions of the Photoplay in connection with the exploitation thereof; excerpts from the Photoplay used for advertising and exploitation purposes, as aforesaid, may be utilized in or in connection with, or as part of, television programs produced and/or paid for by Borrower or by its assignees or licensees, or in commercially sponsored or sustaining television programs of others. Borrower may broadcast by radio portions of the Photoplay, condensations thereof, or radio dramatizations thereof, for the purpose of advertising and exploiting the Photoplay. Borrower may also use the results and proceeds of Artist's services (including "behind the scenes" interviews which Artist may permit) to produce one or more promotional films relating to the Photoplay, which promotional films may be exhibited theatrically, by means of television or any other medium, for purposes of publicity, advertising and promotion of the Photoplay.

(c) "Double" or "Dub". On condition that Lender is not in default hereunder, Borrower agrees that it will not "dub" in the English language or use a "double" in lieu of Artist except under the following circumstances: (i) when necessary to expeditiously meet the requirements of foreign exhibition; (ii) when necessary to expeditiously meet censorship requirements, both foreign and domestic; (iii) when, in the opinion of Borrower, the failure to use a "double" for the performance of hazardous acts might result in physical injury to Artist; (iv) when Artist is not available; and

(v) when Artist fails or is unable to meet certain requirements of the role, such as singing or the rendition of instrumental music or other similar services requiring a specific talent or ability other than that possessed by Artist. Lender agrees that under any of the conditions specified in the foregoing (i) through (v), Borrower shall have the right to "double" and/or "dub" in the English language not only the acts, poses, plays and appearances of Artist but also the voice of Artist, and all instrumental, musical and other sound effects to be produced by Artist, to such extent as may be required by Borrower. Lender and Artist agree, however, that Borrower shall have the right to "dub" the voice of Artist in languages other than the English language whenever and to such extent as may be required by Borrower.

(d) Literary Material. Lender agrees that all material, works, writings, ideas, "gags," or dialogue composed, submitted or interpolated by Artist in connection with the preparation or production of the Photoplay shall automatically become the property of Borrower, which shall for this purpose be deemed to be the author thereof. Lender and Artist acknowledge and agree that the names and characterizations of the role to be portrayed by Artist in the Photoplay, the title of the Photoplay and all material performed by Artist hereunder belong exclusively to Borrower, that neither Lender nor Artist has any right, title or interest whatsoever therein or thereto and neither has any right to make any use thereof (whether in the employ of another or on their own behalf) without authorization in writing from Borrower, and Borrower reserves to itself all rights therein, including, but not limited to, merchandising rights. Lender shall, at

the request of Borrower, execute such assignments, certificates or other instruments as Borrower may from time to time deem necessary or desirable to evidence, establish, maintain, protect, enforce or defend its right or title in or to any such material.

(e) Control of Production. Borrower shall have complete control of the production of the Photoplay, including but not limited to all artistic controls and the right to cut, edit, add to, subtract from, arrange, and revise the Photoplay in any manner.

All rights granted or agreed to be granted to Borrower hereunder shall vest in Borrower immediately and shall remain vested in Borrower, its successors and assigns, whether this agreement expires in normal course or is terminated or whether Artist's services hereunder are terminated for any cause or reason.

SECTION V

INCAPACITY, FAILURE, REFUSAL, NEGLECT, FORCE MAJEURE

12. Incapacity or Change. If Artist shall become incapacitated or prevented from fully performing in accordance with the terms hereof by reason of illness, accident, disfigurement, impairment of voice or mental or physical disability, or any other cause rendering such nonperformance excusable at law (all of the foregoing being herein referred to as "incapacity"), or if the facial or physical appearance or the voice of Artist shall be materially changed (all of the foregoing being herein referred to as "change"), then Borrower shall have the right, at its option, to suspend Artist's services hereunder during the period of such incapacity or change by oral or written notice to Lender. If any

such incapacity or change continues for a period of two (2) consecutive days or an aggregate ~~of periods~~ of four (4) days, during a period of time that Artist is rendering or is obligated to render Artist's services for Borrower hereunder, Borrower shall have the right, at its option, to terminate this agreement and Artist's services hereunder by giving Lender written notice thereof at any time during the continuance of such incapacity or change or within three (3) days after the cessation thereof. During any period of suspension based on any such incapacity or change Lender shall cause Artist not to render services of any kind to or for any person, firm or corporation or on Artist's own behalf. In the event of such termination, Borrower shall be released from all further obligations to Lender whatsoever, except that Lender shall be entitled to receive such compensation, if any, as may have become due and been unpaid prior to such termination; and Artist shall be entitled to receive his return transportation, if any, pursuant and subject to the terms of Paragraph 8 hereof. If Lender or Artist, at any time during the term hereof, alleges that Artist is incapacitated from performing Artist's services hereunder, Borrower shall have the right, at its election, to have medical examinations made of Artist by such physicians as Borrower may designate, and Lender shall cause Artist to submit to such examinations and tests as such physician or physicians may deem desirable. Artist shall be entitled to have present at said examinations, at Artist's and/or Lender's sole cost and expense, a doctor of Artist's choosing, provided that Artist's doctor does not delay or interfere with said medical examinations. If, at any time prior to the commencement of the term hereof, Borrower obtains an opinion from a doctor designated by Borrower and from a doctor designated by Lender to the effect that Artist will be incapacitated from rendering Artist's services hereunder on

the commencement of the term hereof and/or from completing the rendition of Artist's services as required hereunder, then Borrower may, at its option, cancel this agreement in its entirety and make it of no effect by giving Lender written notice thereof at any time prior to the commencement of the term hereof. If the opinion of the doctor designated by Lender does not concur with the opinion of Borrower's doctor with respect to such unavailability of Artist, then each of such doctors shall forthwith agree upon and appoint a third doctor whose opinion shall be controlling. Lender shall cause Artist to submit to such examinations as the doctors referred to above shall require and if Artist fails to submit to such examinations or fails to designate a doctor within two (2) days after Lender is given notice of the opinion of Borrower's doctor or if the doctors designated by Borrower and Lender, respectively, fail to agree upon the appointment of a third doctor within three (3) days after they are advised of the necessity to do so, then Borrower may, at its option, thereafter cancel this agreement in its entirety and make it of no effect by giving Lender written notice thereof at any time prior to the commencement of the term hereof.

13. Failure, Refusal, Neglect. If Artist fails, refuses or neglects, other than because of incapacity or change as defined in Paragraph 12 hereof, to perform any of Artist's required services hereunder to the full limit of Artist's ability as, when and where required by Borrower, or if either Artist or Lender fail, refuse or neglect to keep and perform any of their obligations and agreements hereunder (such failure, refusal and neglect being hereinafter referred to as a "default"), then Borrower shall have the right, at its option, to suspend Artist's services hereunder during the period of such default and thereafter until Lender causes Artist to personally report to Borrower

in good faith, ready, willing and able to resume the rendition of Artist's services and obligations hereunder and/or until Lender notifies Borrower in good faith that Lender is ready, willing and able to resume the performance of its obligations and agreements hereunder, and for such additional period, not exceeding one week, as may be necessary to prepare for the actual utilization of Artist's services, by oral or written notice to Lender. Borrower shall have the right, at its option, to terminate this agreement and Artist's services hereunder by giving Lender written notice thereof at any time during the continuance of such default or at any time during the period of seven (7) days after the cessation thereof. During any period of suspension based on any such default Artist shall not render services of any kind to or for any person, firm or corporation or on his own behalf. In the event of such termination Borrower shall be released from all further obligations to Lender whatsoever, and the compensation, if any, which has theretofore accrued to and been earned by Lender hereunder shall be payment in full to Lender under this agreement, but Lender shall be liable to Borrower for the actual damage caused to Borrower by any such default, and in addition to any other rights or remedies, Borrower may deduct the amount of such damage from any compensation payable to Lender hereunder. Any reference or statement by an officer or employee of Lender or by Artist, or by Lender's or Artist's agent, that Lender or Artist will refuse to complete or perform any of their obligations or agreements hereunder may be treated by Borrower as an anticipatory breach of this agreement and as an event of default hereunder.

14. Force Majeure. If during the time when Artist is rendering or is obligated to render Artist's services for Borrower hereunder, Borrower is prevented from or hampered or interrupted or interfered with in any manner whatever in preparing or

producing the Photoplay, or in utilizing Artist's services hereunder, by reason of any present or future statute, law, ordinance, regulation, order, judgment, or decree, whether legislative, executive or judicial (whether or not valid), act of God, earthquake, flood, fire, epidemic, accident, explosion, casualty, lockout, boycott, strike, labor controversy (including but not limited to threat of lockout, boycott or strike), riot, civil disturbance, war or armed conflict (whether or not there has been an official declaration of war or official statement as to the existence of a state of war), invasion, occupation, intervention of military forces, act of a public enemy, embargo, delay of a common carrier, inability without fault on Borrower's part to obtain sufficient material, labor, transportation, power or other essential commodity required in the conduct of its business, or by reason of any other cause or causes of any similar nature; or if the production of the Photoplay is suspended, interrupted or postponed by reason of any such cause or similar cause, or the death, illness, disfigurement or incapacity of a principal member of the cast of the Photoplay or the death, illness or incapacity of the director or director of photography of the Photoplay (all of the foregoing being herein referred to as an "event of force majeure"); then as a result of any such event, Borrower shall have the right, at its option, to suspend Artist's services hereunder (whether or not the services of any other person are suspended) as often as any such event occurs and during such periods of time as such events exist, by oral or written notice to Lender. Artist's services hereunder may be suspended

at any time or times, and may be suspended more than once, during any such event of force majeure. If any such event of force majeure continues for a period or periods of two (2) weeks in the aggregate during the term hereof, Borrower may elect to terminate this agreement and Artist's services hereunder by giving written notice to Lender. If Artist's services hereunder are suspended for any such event of force majeure for a period or periods of two (2) weeks in the aggregate during the term hereof, Lender may elect to terminate this agreement and Artist's services hereunder by giving written notice to Borrower; provided, however, that such termination by Lender shall not become effective if Borrower within one (1) week after the actual receipt of such notice from the Lender, gives Lender written notice that Borrower elects to resume the accrual of compensation to Lender (if additional compensation is then payable to Lender but not if Artist is then obligated to perform Artist's services without additional compensation therefor) and that the suspension of the term of Artist's services hereunder has been lifted, effective on or before the expiration of the said one (1) week period, and in such event this agreement shall not be terminated by Lender, but shall continue in full force and effect; subject, however, to the right of Borrower to suspend or terminate Artist's services thereafter for other proper cause, including but not limited to the occurrence of a different event of force majeure, in accordance with the provisions of this agreement. During any period of suspension based on any of the events of force majeure, Artist shall be free to render his services to or for any other person, firm or corporation or on Artist's own behalf, provided that neither Artist nor Lender is then in default under any of the

terms and conditions of this agreement, and provided further, that Borrower shall have the absolute right to recall Artist to render Artist's services hereunder on two (2) days' notice, in which event Lender shall cause Artist to report to Borrower to render Artist's services hereunder no later than the expiration of such notice period. In the event of termination based on any of the events of force majeure, Borrower shall be released from all further obligations to Lender whatsoever, except that Lender shall be entitled to receive such compensation, if any, as may have become due and been unpaid prior to such termination; and Artist shall be entitled to receive his return transportation, if any, pursuant and subject to the terms of Paragraph 8 hereof. If, between the date of this agreement and the date designated in Paragraph 2 hereof for the commencement of Artist's services, the preparation of the Photoplay is prevented, hampered or interrupted by any of the events of force majeure so that Borrower cannot practicably commence the Photoplay on such starting date, Borrower may, in addition to all its rights as hereinabove provided, postpone such starting date for such period as may be reasonably necessary to prepare for the commencement of photography, not in excess of thirty (30) days.

15. - General Provisions Applicable to Suspension and Termination. In addition to the provisions contained in Paragraphs 12, 13 and 14 hereof, the provisions of this paragraph shall apply equally to any suspension or termination provided for in Paragraphs 12, 13 and 14 hereof. Lender shall not be entitled to receive any compensation for or during any period of suspension and if Borrower should pay Lender any compensation for or during any period of suspension, Borrower shall not be deemed to have waived any of its rights hereunder and it may apply such

compensation against any compensation thereafter accruing or becoming due hereunder. Any period of suspension hereunder shall be deemed to have commenced upon the occurrence of the cause of such suspension; provided, that if Borrower shall not, on or before the seventh (7th) day after such occurrence, have given Lender notice that Borrower considers such suspension in effect, the suspension shall commence only on the seventh (7th) day preceding the date such notice is given to Lender. Any period of suspension hereunder shall be deemed to have expired upon the cessation of the cause for such suspension (except as otherwise provided in Paragraph 13 with respect to suspension based on default), but in no event prior to the date upon which Lender shall cause Artist to report to Borrower ready, willing, able and available to render all of Artist's required services hereunder; provided, that if such suspension is based on any of the events of force majeure, Borrower shall notify Lender promptly of the cessation of the cause of such suspension. Borrower may, at its election, by oral or written notice to Lender, terminate any suspension hereunder at any time prior to the time herein specified except that Borrower may not require Artist to render services during the actual continuance of Artist's illness which incapacitates or prevents Artist from rendering such services. Borrower's rights of termination hereunder are in addition to and are not dependent upon the exercise of any of Borrower's rights of suspension. Borrower shall have the right, at its option, to reduce the minimum period during which it is obligated under the terms of this agreement to pay compensation to Lender by a period of time equal to the aggregate of any periods of suspension hereunder, or any part thereof. The term of Artist's services hereunder shall be automatically extended for a period

of time equal to the aggregate of the period or periods during which Artist's services hereunder are suspended pursuant to any of the provisions of this agreement. Nothing contained in this agreement shall be deemed to affect or terminate Borrower's right to terminate Artist's services at any time during any extension of the term of Artist's services after the expiration of the minimum period during which Borrower is obligated under the terms of this agreement to pay compensation to Lender, it being understood that Borrower may terminate Artist's services at its discretion and with or without cause at any time during such extension. Each and all of the several rights and remedies provided for in this agreement shall be construed as being cumulative and no one of them shall be deemed to be exclusive of the others or of any rights or remedies allowed by law. No waiver by Borrower of any failure of Lender and/or Artist to keep any covenant or condition of this agreement shall be deemed to be a waiver of any preceding or succeeding failure or shall be deemed a continuing waiver. The rights granted to Borrower are irrevocable and without right of rescission by Artist and/or Lender or reversion to Artist and/or Lender under any circumstances whatsoever. The expiration or termination of this agreement on whatever ground and by whomsoever effected shall not affect or impair the ownership by Borrower of any of the results, proceeds or benefits of services theretofore rendered by Artist hereunder. In connection with the foregoing, it is expressly understood and agreed and Lender and Artist hereby expressly confirm that in the event Borrower terminates or cancels (or purports to terminate or cancel) this agreement or any other agreement entered into by and between Borrower and Artist and/or Borrower and Lender and/or Borrower and Artist and Lender, concurrently herewith or as part of the

same transaction (and even if such cancellation or termination or purported cancellation or termination is ultimately determined by a court to have been without proper or legal cause or it is ultimately determined by such court that Borrower committed any material breach of any such agreement), the damage (if any) caused Lender and/or Artist thereby is not irreparable or sufficient to entitle Lender and/or Artist to injunctive or other equitable relief. Consequently, Lender's and Artist's rights and remedies in any such event shall be strictly limited to the rights and remedies, otherwise available, to recover damages, and neither Artist nor Lender shall have any right to rescind this agreement or any such other agreement or any of Borrower's rights hereunder or thereunder with respect to any such results, proceeds or benefits of Artist's services.

SECTION VI

GENERAL COVENANTS AND WARRANTIES

16. Right to Injunction. The services to be rendered by Artist hereunder and the rights and privileges granted to Borrower by Lender are of a special, unique, unusual, extraordinary and intellectual character which gives them a peculiar value, the loss of which cannot be reasonably or adequately compensated in damages in any action at law and a breach by Lender or Artist of any of the provisions contained herein will cause Borrower irreparable injury and damage. Lender expressly agrees that Borrower shall be entitled to injunctive and other equitable relief to prevent a breach of this agreement by Lender or Artist. Resort to such equitable relief, however, shall not be construed to be a waiver of any other rights or remedies which Borrower may have in the premises for damages or otherwise. No waiver by Borrower of any breach of any term or provision of this agreement

shall be construed to be a waiver of any preceding or succeeding breach of the same or any other term or provision. The various rights and remedies of Borrower hereunder shall be construed to be cumulative, and no one of them shall be exclusive of any other or of any right or remedy allowed by law.

17. Guild or Union Membership. During the term of this agreement and at such time or times and during such period or periods as it may be lawful for Borrower to require Artist to do so, at Borrower's request and at Lender's sole cost and expense, Lender shall cause Artist to remain or become and remain a member in good standing of the then properly designated organization or organizations (as defined and determined under the applicable law) representing persons performing services of the type and character to be performed by Artist hereunder. Lender agrees to cause Artist to cooperate with Borrower to secure such labor permits as may be required by any governmental agency for the purpose of enabling Artist to render Artist's services hereunder. If in spite of such cooperation Borrower is unable to secure such labor permits, Borrower shall have the right to suspend Artist's services hereunder until one (1) week after a final determination is made concerning such labor permits by the applicable authority and Borrower shall have the right to terminate Artist's services and this agreement at any time during such suspension or upon Borrower discovering that the labor permits cannot be secured, such termination to be retroactively effective to the date on which the term hereof commenced.

18. Freedom to Enter Agreement. Lender warrants and agrees that Lender and Artist are free to enter into this agreement and are not subject to any obligation or disability which will or might prevent Lender or Artist from, or interfere with

Lender or Artist in, fully completing and performing all of the covenants and conditions to be kept or performed by Lender or Artist hereunder and that neither Lender nor Artist has made, or will make any grant or assignment which will or might conflict with or impair the complete enjoyment of the rights and privileges granted to Borrower hereunder. Lender will indemnify and hold harmless Borrower, its successors and assigns, from and against all damages, liability or expense, including reasonable attorney's fees, resulting from any breach of any warranty or agreement made by the Lender in this agreement.

19. Ratification. In consideration of Borrower's entering into this agreement with Lender and as a condition precedent to Borrower's entering into this agreement, Lender hereby agrees that simultaneously with the execution of this agreement Lender will cause Artist to execute and deliver a personal ratification in the form annexed as Exhibit C.

20. Negative Covenants; Publicity, Air Transportation. Lender agrees that neither Lender nor Artist will, without Borrower's prior written approval, issue or authorize the publication of any news stories or publicity relating primarily to the Photoplay, or to Artist's services hereunder, or to Borrower, as distinguished from personal publicity relating primarily to

Artist, and that from the date hereof until the completion of all services required of Artist in connection with the production of the Photoplay, Lender will cause Artist not to travel in an airplane or any other vehicle which travels in the air, other than as a passenger on a recognized schedule airline. In the event of a breach of the terms of this paragraph, Borrower, in addition to any other right or remedy, may, within ten (10) days after receiving knowledge thereof, terminate this agreement.

Lender agrees that neither Lender nor Artist will at any time (either during or after the term of this agreement) make any use of the name of the role played by Artist in the Photoplay, the character or characterizations portrayed by Artist in the Photoplay or the title of the Photoplay, and that Artist will not portray in any medium, any role, character, or characterization which is the same, which is confusingly similar to, which is imitative of, or which satirizes, ridicules or burlesques in any way the name of any role, character or characterization portrayed by Artist in the Photoplay.

21. Insurance. Borrower may secure, in its own name or otherwise and at its own expense, life, accident, health, cast, pre-production and other insurance covering Artist, either independently or together with others, and neither Lender nor Artist shall have any right, title or interest in and to such insurance. Lender shall cause Artist to assist Borrower to procure such insurance by timely submitting to the usual and customary medical and other examinations and by signing such applications and other instruments in writing as may be required by the insurance company involved. If Borrower is unable to obtain such insurance on Artist at standard rates with not more than the then standard and customary deductible in connection with

cast insurance coverage on Artist and, with respect to cast and pre-production insurance, without any exclusions or medical or other restrictions of any kind, and without requirement of compliance with extraordinary conditions or nonstandard conditions, of any kind, imposed because of Artist's mental or physical condition, Borrower shall have the right to terminate this agreement without liability by giving Lender written notice of termination within ten (10) days after Borrower acquires knowledge that Artist shall have failed to pass a physical examination for such insurance, or otherwise qualify for such insurance on such conditions.

SECTION VII

MISCELLANEOUS PROVISIONS

.22. General Provisions. To the extent that any payment hereunder exceeds applicable guild minimums, such excess, to the fullest extent permitted by any applicable guild agreement, shall be credited against any additional payment that may have to be made pursuant to said guild agreement and shall be applied as payment for any additional rights that can be acquired for such payment pursuant to said guild agreement. Each and all of the several rights and remedies provided for in this agreement shall be construed as being cumulative, and no one of them as being exclusive of the other or of any right or remedy allowed by law or in equity. Time for performance by Artist hereunder is of the essence hereof. Nothing contained in this agreement shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision of this agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event

the provision of this agreement affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. This agreement in all respects shall be subject to the laws of California relating to agreements executed and wholly performed within the territorial limits of such jurisdiction.

23. Assignment and Lending. Borrower may transfer, assign, license or lend this agreement, all or any part of its rights hereunder or Artist's services hereunder to any person, firm or corporation, and this agreement shall inure to the benefit of Borrower, its successors and assigns. In the event that Borrower lends Artist's services to any person, firm or corporation, Lender shall cause Artist to render Artist's services to such other person, firm or corporation to the best of Artist's ability and Borrower may grant to any such other person, firm or corporation any and all rights and services to which it is entitled during the period of such lending. No assignment by Borrower shall relieve it of any of its obligations to Lender and Artist hereunder.

24. No Obligation to Produce or Release Photoplay.
Borrower shall not be obligated actually to utilize the services of Artist, or to include all or any of Artist's performances in the Photoplay, or to produce or to release or to continue the distribution or release of the Photoplay once released; and Borrower shall not be liable in damages to Lender and/or Artist in the event that the Photoplay is not produced or released or Artist's services are not utilized or included in the Photoplay. Borrower's obligations hereunder shall be deemed fully performed by payment to Lender of the fixed compensation payable pursuant to Paragraph 3 hereof for the minimum period of Artist's services as herein provided.

25. Notices. All notices which Borrower is required or may desire to give to Lender and/or Artist may be served orally or in writing by delivering them to Lender and/or Artist personally or by sending them to Lender by mail or telegraph at

c/o [redacted]
8560 Sunset Boulevard,
Suite 605
Los Angeles, California 90069

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or such other address as Lender may from time to time designate in writing.

All payments which Borrower is required to send to Lender hereunder shall be sent to Lender by mail or telegraph at such address.

All notices which Lender and/or Artist are required or may desire to serve upon Borrower hereunder may be served in writing by delivering them to Borrower by mail or telegraph at Film Accounting Services Limited, Norfolk House, 2nd Floor, Frederick Street, Nassau, Bahamas, with a copy to Migdal, Tenney, Glass & Pollack, 598 Madison Avenue, New York, New York 10022, Attention: [redacted]
[redacted]

or such other address as Borrower may from time to time designate in writing.

Except as hereinafter expressly provided, the date of mailing or delivery to the telegraph office of such notice, as the case may be, shall be deemed the date of service of such notice. Notwithstanding the provision of the foregoing sentence, any literary and/or dramatic material required of Lender and/or Artist hereunder, and any notice or notices from Lender and/or Artist which commence the running of any period of time for the

exercise by Borrower of an option or the performance by Borrower of any other act hereunder, shall be deemed to be delivered only when actually received by Borrower.

26. Entire Agreement. This agreement constitutes the entire agreement between the parties and shall supersede any and all prior written or oral agreements between the parties relating to the subject matter hereof and cannot be modified or amended except by written instrument signed by Lender and by Borrower. Lender acknowledges that Lender has not executed this agreement in reliance on any representation or promise made by Borrower or any of its representatives other than those expressly contained in this agreement.

27. Withholdings. Borrower may deduct and withhold from payments due Lender hereunder any amounts required to be deducted and withheld by Borrower as income taxes under the provisions of any applicable statute, regulation, ordinance or governmental order, and any and all amendments thereto now or hereafter enacted, requiring such withholding and deductions. Lender authorizes and instructs Borrower to deduct from each installment of Lender's compensation a sum equal to one percent (1%) of the gross amount thereof and to pay the said sum to the Motion Picture Relief Fund of America, Inc.

28. Section Headings. The Table of Contents (if such is used in connection herewith), headings of paragraphs, sections and other subdivisions of this agreement are for convenient reference only. They shall not be used in any way to govern, limit, modify, construe or otherwise be given any legal effect.

29. Gender and Number. Terms used herein in the masculine gender include the feminine and neuter genders, and terms used in the singular number include the plural number, if the

context may require. If Artist is female, then the provisions of Paragraph 12 hereof shall also apply in the event of Artist's pregnancy.

SECTION VIII

DEFINITIONS

30. Definitions. The term "minimum period of services" as used herein means the specific period of weeks referred to in Paragraph 3, plus "free weeks", if any, not including in the calculation of such specified period of weeks or "free weeks" any period during which the Artist's services are suspended.

The term "Photoplay" as used herein, shall be deemed to include, but not be limited to, a motion picture production produced and/or exhibited with or accompanied by sound and voice recording, reproducing and/or transmitting devices, radio and television devices and all other improvements or devices which are now or hereafter may be used in connection with the production, exhibition and/or transmission of any present or future kind of motion picture productions.

The term "on or about" as used in Paragraph 2 hereof means not earlier than 24 hours prior to January 21, 1980 and not later than 48 hours after January 21, 1980

SECTION IX

ADDITIONAL PROVISIONS, IF ANY

31. Additional Provisions, If Any. The following provisions of this paragraph shall constitute a part of this agreement in the same manner as if such provisions were contained in the foregoing portions hereof. If there are no provisions of this paragraph following this sentence, this sentence shall be the final sentence of this agreement.

32.

Borrower agrees to engage [REDACTED]

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[REDACTED] at a compensation of \$500-\$600 per week for two weeks of services, the exact compensation to be equal to that paid to other personnel rendering similar or comparable services in the production of the Photoplay.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

FILM ACCOUNTING SERVICES LIMITED
BORROWER

By _____

GWYLLYN PRODUCTIONS, INC.
LENDER

By _____

EXHIBIT A

The following are the credits to be accorded to Artist pursuant to the provisions of Paragraph 9 of the agreement to which this Exhibit A is attached, which agreement is herein referred to as the "Agreement":

I. Borrower shall accord to Artist credit above or below the title of the Photoplay at Borrower's discretion; on the screen on a single card or frame; and in all paid publicity and advertising of the Photoplay issued by or under the control of Borrower reading "Glenn Ford as 'The Captain'" or "...as 'Captain _____'"; which credit on the screen and in said publicity and advertising shall be at least equal in all respects to the credit accorded any other actor in the Photoplay, and any other person rendering services in connection with the Photoplay.

It is presently contemplated that the only individual credit above title will be the name "Jack London's" (as part of the title); however, it is agreed that if any actor or other individual credit appears above title, Artist's credit will also appear above title. It is further agreed that such credit, subject to the other provisions of this agreement, shall be not less than 100% of the size ("size" including height, width, thickness and prominence of type) of the title.

II. If credit to any other actor appearing in the Photoplay appears in any paid advertising for the Photoplay, or in any Excluded Advertising (other than advertising, publicity and/or exploitation in connection with awards), the credit to Artist shall also be included therein. Notwithstanding anything to the contrary herein, it is agreed that if the title of the Photoplay is used more than once, i.e., a so-called "regular use" and a so-called "artwork use" (such as, for example, the weaving of the title as part of the background, or a display use, or a fanciful use), the references to the title of the Photoplay with respect to credit shall be to the so-called "regular use" of the title as distinguished from the so-called "artwork use" of the title.

Dated:

Grant Management

8560 Sunset Boulevard
Suite: 605
Los Angeles, Calif. 90069

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Gentlemen:

Concurrently herewith Gwyllyn Productions, Inc. ("Lender") and Film Accounting Services Limited ("Producer") are entering into an agreement (the "Agreement") pursuant to which Lender shall furnish the services of Glenn Ford ("Artist") as an actor in connection with the motion picture photoplay tentatively entitled "Jack London's Southern Cross" (the "Picture"). Producer agrees to deposit with the Trust Account of Grant Management, at Security Pacific National Bank, 13352 Riverside Drive, Sherman Oaks, California 91423, no later than the close of business January 2, 1980, the amount of US\$100,000 (the "Escrow Deposit"), which shall be held by you as follows:

1. You shall release said sum to Lender on the last day of the second week during which Artist renders services pursuant to the Agreement, as and for payment of the compensation for the Artist's services during such week due under the Agreement, on condition that you shall not have received, prior to the date on which such payment is to be made, written notification from Producer to the effect that Producer has suspended Artist's services or terminated Artist's engagement in accordance with the terms of the Agreement.

2. If you shall receive such written notification of suspension, then you shall not release the Escrow Deposit, except as provided below relating to termination, until Producer shall have notified you, in writing, that the suspension has been lifted or terminated, in which event the Escrow Deposit shall be released in accordance with Paragraph 2.

3. If Producer terminates the Agreement in accordance with the terms of such Agreement and serves written notice upon you to the effect that the Agreement has been so terminated and also furnishes you with a copy of any termination notice to Lender, unless Lender shall, within seven (7) days after the service of such notice of termination, notify you, in writing, that Lender contests the validity of Producer's termination of the Agreement, this agreement shall be cancelled and voided upon the expiration of such seven (7) day period, and the Escrow Deposit shall be paid

Exhibit B

over to Producer. If, within such seven (7) day period, Lender contests in writing to you the validity of the termination of the Agreement by Producer, then this agreement shall remain in full force and effect, but you shall not release the Escrow Deposit until instructed by (a) written notice signed by Producer and by Lender, or (b) a court of competent jurisdiction, or (c) an arbitrator (notice of appointment of which shall be served upon you by written notice signed by either Producer or Lender, with instructions therein contained to you to act in accordance with the decisions of any such arbitrator), in any of which events you shall act in accordance with the instructions contained in such notice or order.

4. You shall not incur any liability or reseasonability nor be bound in any way by any agreement or contract between the parties (whether or not you have knowledge thereof), and your duties or responsibilities shall be to hold the Escrow Deposit as Escrow Agent and to dispose of it in accordance with the terms of this agreement, and no implied covenants of yours shall be read into these instructions.

We represent that the persons signing this agreement for and on our behalf have authority so to do. Should it be necessary for you to accept or act upon any instruction, direction, notice, document or instrument signed or presented by, or on behalf of, any corporation, partnership, trade name, fiduciary or individual, you shall be fully protected and incur no liability provided you shall, in good faith, believe it to be sufficient or genuine or to have been signed or presented by a proper person or persons, and it shall not be necessary for you to inquire into his or their authority unless and to the extent specifically provided herein.

These instructions may be altered or amended only (a) with the consent of all parties and (b) with your consent. Should the parties attempt to change this agreement in a manner that would either increase your duties or responsibilities or which, in your sole and absolute discretion you deem undesirable, you may resign as Escrow Agent by notifying the parties in writing and, until a successor Escrow Agent is appointed by the parties, and accepts such appointment, your only duty shall be to hold the Escrow Deposit in accordance with the original instructions contained in this agreement.

This agreement shall be governed by and construed and enforced in accordance with the laws of the State of California applicable to contracts entered into and to be performed fully therein.

If the foregoing is in accordance with your understanding, please so indicate by signing at the place provided below.

FILM ACCOUNTING SERVICES LIMITED

By _____

By _____

GRANT MANAGEMENT

LOAN-OUT RATIFICATION

As an inducement to (herein called the "Borrower") to enter into that certain agreement of even date (herein called the "Lending Agreement") between (hereinafter called the "Lender") and Borrower covering the lending of the services of the undersigned from Lender to Borrower, and as a material part of the consideration moving to Borrower for so doing, the undersigned hereby represents, warrants and agrees as follows:

1. That the undersigned has heretofore entered into a written agreement with Lender covering the rendition of the undersigned's services for Lender, and that Lender has the right and authority to enter into the Lending Agreement and to furnish to Borrower the rights and services of the undersigned upon the terms and conditions therein specified.

2. That the undersigned, is familiar with each and all of the warranties, representations, terms, covenants and conditions of the Lending Agreement and hereby consents to the execution thereof; that the undersigned makes the same warranties and representations to Borrower as those contained in the Lending Agreement; that the undersigned shall perform and comply with all of the terms, covenants and conditions of the Lending Agreement on the part of the undersigned to be performed and complied with; and that the undersigned shall render to Borrower all of the services provided for under the Lending Agreement and hereby confirms that there have been granted to Lender all of the rights granted by Lender to Borrower under the Lending Agreement.

3. That the undersigned is under no obligation or disability by law or otherwise which would prevent or restrain the undersigned from performing or complying with all of the terms, covenants and conditions of the Lending Agreement on the part of the undersigned to be performed or complied with. The undersigned agrees not to undertake any obligations which will prevent the undersigned from performing the services required to be performed by the undersigned pursuant to the Lending Agreement.

4. That the undersigned will look solely to Lender or its associated or subsidiary companies and not to Borrower for all compensation and other remuneration for any and all services and rights which the undersigned may render and grant to Borrower under the Lending Agreement. The undersigned will look solely to Lender for all payments to be made and all withholdings to be made pursuant to any law, ordinance, union agreement or otherwise and will not look to Borrower to make such withholding or payments.

5. That the Borrower shall be entitled to equitable relief by injunction or otherwise against the undersigned to restrain, enjoin or prevent the violation or breach or the threatened violation or breach by the undersigned of any obligation or agreement of the undersigned to be performed as provided in the Lending Agreement and/or the violation or breach or threatened violation or breach of any obligations or agreements of the undersigned under this loan-out ratification.

6. That the undersigned hereby agrees to indemnify and hold harmless the Borrower, its successors and assigns and the Borrower's and their employees, agents and licensees as more specifically provided for in said Lending Agreement.

7. In the event the undersigned shall fail to refuse for any reason to execute, acknowledge or deliver any documents required in the Lending Agreement or under this loan-out ratification to be executed, acknowledged and delivered by the undersigned, then the undersigned hereby irrevocably authorizes the Borrower, as attorney-in-fact, to execute any such documents in the undersigned's name and on behalf of the undersigned. The failure of the undersigned to execute, acknowledge and deliver any such document or documents shall not affect the Borrower's rights in and to the proceeds of

EXHIBIT C

the undersigned's services thereunder.

8. That all notices served upon the Lender in accordance with the provisions of said Lending Agreement shall be deemed notices to the undersigned of the contents thereof.

9. That reference herein to said Lending Agreement shall include any and all supplements and amendments thereto which may hereafter be entered into between Borrower and Lender; or between Borrower, its successors or assigns and Lender; and the undersigned hereby consents to any and all such supplements and amendments and agrees that the same may be entered into without any further consent, agreement or approval on the part of the undersigned and without discharging or otherwise affecting any or all of the undersigned's obligations or agreements hereunder; and the undersigned expressly agrees to perform, observe and be bound by any and all such supplements and/or amendments.

10. That if Lender should be dissolved or should otherwise cease to exist, or for any reason whatsoever should fail, be unable, neglect or refuse to perform and observe each and all of the conditions of the Lending Agreement requiring performance or compliance on its part, the undersigned shall at the Borrower's election be deemed substituted as a party to said Lending Agreement in the place and stead of Lender, and in the event of a breach or threatened breach of any or all of the terms and conditions of said Lending Agreement by Lender or by the undersigned, the Borrower shall be entitled to legal, equitable relief by way of injunction or otherwise against the Lender or against the undersigned, or against both Lender and the undersigned in Borrower's discretion and in any event without the necessity of first resorting to or exhausting any rights or remedies which the Borrower may have against Lender: all of the foregoing to be to the same extent and with the same force and effect as if the undersigned were a direct party to said Lending Agreement in the first instance and as if, in such Lending Agreement, the undersigned personally agreed to render the services therein provided to be rendered by the undersigned and to perform and observe each and all of the terms and conditions of the said Lending Agreement requiring performance or compliance on the part of Lender or the undersigned or both Lender and the undersigned.

IN WITNESS WHEREOF, the undersigned has set the undersigned's hand and seal day of

TABLE OF CONTENTS
(Report Forms FD-302s)



PAGE

2

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FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 7/24/80

[redacted] furnished the following information:

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[redacted] actor Glenn Ford from about [redacted] to [redacted]. He stated that during [redacted] he was approached by [redacted] who advised that he was an associate of Harry Alan Towers and they were interested in signing Glenn Ford to the starring role of the movie "Southern Cross". [redacted] stated that he had not heard of [redacted] or Towers before.

[redacted] stated that [redacted] furnished a letter dated August 31, 1979 setting forth Ford's salary, in addition to a Bank of America letter of credit dated December 27, 1979 for \$50,000.00 for the account of [redacted] and listing the beneficiary as the Lewis Company, in care of [redacted] furnished a copy of both of these documents to the Interviewing Agent. [redacted] stated that [redacted] also provided a script which was reviewed by [redacted] and Ford, who decided that with a little improvement the script and the movie could possibly be successful. [redacted] stated that normal course of business dictates that a certain amount of money should be placed in escrow by Towers or [redacted] as an indication that they do in fact have money for the production of the movie. [redacted] stated that the money in escrow is forfeited to the actor and agent should the deal fall through. [redacted] stated that at no time was any money ever placed by Towers or [redacted] into an escrow account.

[redacted] stated that nearly all of his dealings regarding this movie was in Los Angeles with [redacted]. He stated that he talked to Towers about two times when Towers called, either from Toronto, Canada or London, England. He stated that the purpose of his contact with [redacted] and Towers was to firm up the offer; however, [redacted] kept getting the runaround from both men and it looked as if the offer was no good. [redacted] stated that Towers earlier produced a movie called, "Klondike Fever" starring Rod Steiger and Angie Dickenson. He stated that he called Steiger's

Investigation on 7/16/80 at Los Angeles
by SA [redacted] and RDB/djm

Los Angeles

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7/18/80

2
LA 196-1460

and Dickenson's agents and learned that although there were some problems with Towers, the movie was in fact produced and everyone got paid.

[] stated that a law firm in New York sent a contract to him, but the contract was never signed and Ford at no time entered into any legal agreement with Towers or []
[] stated that possibly Ford's []
[] has a copy of the contract.

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[] stated that at no time did he observe any promotional material indicating that Ford would be starring in "Southern Cross". [] advised that he does recall that [] indicated actor [] had also been signed for the movie "Southern Cross".

[] stated that no money ever changed hands concerning this deal, and since no money was ever put into escrow, he felt confident that the offer would probably fall through. He stated that it is not unusual for an independent producer like Towers to spread the word that a particular star has been signed as this lends credibility and encourages would be investors to put up money for a movie, while in actuality the producer had never signed the star.

[] stated that he could not place the name []
[]

[] stated that as a result of [] and Towers' offer going sour, he [] was []
[]

August 31', 1979

[redacted]
The Lewis Company, Ltd.
8560 Sunset Blvd.
Suite 605
Los Angeles, CA 90069

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Dear [redacted]

On behalf of Harry Towers, this letter constitutes a firm offer to [redacted] Glenn Ford, to play the role CAPTAIN DAVID GRIEF in the motion picture "SOUTHERN CROSS".

If he agrees, we would need Mr. Ford for a period of two weeks (twelve consecutive shooting days) beginning November 12, 1979. Directed by the distinguished Italian director Enzo Castilari, the budget will fall somewhere between 2,500,000 and 3,000,000 dollars. Mr. Ford's fee would be 200,000 dollars, which amount would be put into escrow no later than September 30, 1979 (although we would use our best efforts to do so sooner).

Thank you for your attention to this matter - we look forward to an expeditious answer.

Best regards,

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LSR/js

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 2 1980	
FBI-SAN FRANCISCO	

BANK OF AMERICA

Cable Address: BankAmerica

7

World Banking Division Service Center #661
P. O. Box 37020, San Francisco, Ca. 94137

Date: Dec. 27, 1979

IRREVOCABLE STANDBY LETTER OF CREDIT

All drafts must be marked:
"Drawn under Bank of America
credit no 100811"

Advising bank reference no

Advising bank

For account of

To beneficiary

Lewis Company Limited

C/O

8560 Sunset Blvd., Suite 605

Los Angeles, California 90069

Amount

US\$50,000.00 (FIFTY THOUSAND U. S.
DOLLARS)

Expiration date

June 15, 1980

Gentlemen:

☐ This refers to preliminary cable advice of this credit.

We hereby establish our irrevocable letter of credit in your favor available by your drafts drawn at sight on us, and accompanied by documents specified below:

Covering confirmation of Glen Ford no later than January 15, 1980 for Jack London's "Southern Cross" shooting schedule and completion of assignment.

DOCUMENT REQUIRED:

1. Fully executed Actor/Agency as it pertains to the commitment agreement or mutually agreed upon escrow instructions.

fm.

We hereby engage with you that all drafts drawn under and in compliance with the terms of this credit will be duly honored if drawn and presented for payment at this office on or before the expiration date of this credit.

Sincerely yours.

Advising bank's notification

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 2 1980	
FBI-SAN FRANCISCO	

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/22/80

[redacted]
[redacted] telephone [redacted] was
interviewed in the office of, and accompanied by [redacted]
[redacted]
[redacted].

[redacted] stated [redacted] Harry Towers in
Canada while [redacted] Towers in the United
States. [redacted] stated he would like to clear up any idea
that [redacted] Harry Towers, defrauded [redacted]
in connection with the financing and production of the movie
"Southern Cross".

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[redacted] stated Towers originally met [redacted]
in May of 1979, at the Cannes Film Festival. Towers was
looking for international sales for his movies to which
[redacted] expressed an interest. [redacted] stated Towers
produced a movie called "Klondike Fever" starring Rod
Steiger, Angie Dickinson, and Lorne Green. He stated
[redacted] for
"Klondike Fever". [redacted] advised [redacted] also expressed
an interest in investing money for the production of Towers'
next movie "Southern Cross".

[redacted] advised he has prepared a letter with
enclosures dated July 23, 1980, which he earlier sent to
[redacted] explaining in detail the relationship between
Towers and [redacted] stated the mailing envelope
left in [redacted] office by [redacted] contains this
letter and the enclosures. [redacted] furnished to interviewing
agent the correspondence contained in the mailing envelope.
The following is a break down of this correspondence:

1. Letter dated July 23, 1980.
2. Biography of Harry Allen Towers.
3. Letter dated March 1, 1980 with following attachments:

Letter directed from Film Accounting Services Ltd. .
to unnamed laboratory, Schedule A, Exhibit B,
Schedule B, and Exhibit C.

Investigation on 9/11/80 at Los Angeles, California File # Los Angeles 196-1460

by SA Onb [redacted] /klt

6

Date dictated 9/16/80b6
b7C

4. Letter dated March 1, 1980.
5. Letter dated April 24, 1980.
6. Letter dated May 14, 1980.
7. Letter dated May 28, 1980.
8. Letter dated July 9, 1980.

[redacted] advised although some of the contracts and correspondence are unsigned, the originals of these documents have been signed by both Towers and [redacted]

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[redacted] stated the original contract dated August 15, 1979, between Towers and [redacted] called for [redacted] to pay \$800,000 to Towers who was being represented by Film Accounting Services Ltd. located in Nassau, Bahamas. The contract indicated [redacted] would receive distribution rights for the English speaking countries including the United States, Britain, Australia, New Zealand, and South Africa, however, not including Canada. [redacted] was to provide a letter of credit in the amount of \$800,000, however, the letter of credit was never provided.

A revised agreement was made dated March 1, 1980, calling for [redacted] cash payment of \$100,000 and the remaining \$700,000 would be furnished in the form of promissory notes which in effect took the place of the earlier proposed letter of credit. [redacted] stated [redacted] furnished a \$100,000 check along with the promissory notes all of which were deposited into the Canadian Imperial Bank of Commerce located at Bloor and Church Streets, Toronto, Canada. This bank had also provided financing for two of Towers' most recent films.

[redacted] stated in connection with the [redacted] [redacted] for "Klondike Fever" [redacted] had provided a promissory note for \$25,000 to Klondike Fever Film Productions, a company with which Towers is associated.

3
LA 196-1460

He stated the promissory note was deposited into the Canadian Imperial Bank of Commerce and dishonored. [redacted] advised the bank was concerned about lending money for "Southern Cross" based on [redacted] promissory notes when, at the same time, the bank was holding a bad promissory note from [redacted] for "Klondike Fever". Because of these circumstances Towers decided to exercise his option to delay the start date of the film. [redacted] stated this option is contained in paragraph six of the letter dated March 1, 1980 from Towers to [redacted]. By letter dated April 24, 1980, Towers advised [redacted] of this delay and by letter dated May 14, 1980, [redacted] from [redacted] to Towers, [redacted] objected to the delay and wanted his \$100,000 returned.

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[redacted] stated [redacted] has broken the contract and consequently alternative financing for the movie has not been located which has resulted in the movie not being made. [redacted] stated [redacted] \$100,000 has been retained and probably most of the money has been spent. [redacted] stated it is his belief [redacted] has breached the contract causing a monetary loss to Towers consisting of approximately \$75,000 and the potential income from the film. [redacted] stated the \$100,000 and promissory notes will continue to be retained, and in fact [redacted] is considering filing suit against [redacted] for breach of contract.

[redacted] advised at no time did [redacted] Towers, have any intent to defraud [redacted]. He stated Towers has spent a considerable amount of money preparing to make the film and [redacted] backing out has caused a great number of problems to Towers and the picture.

[redacted] who was present during [redacted] interview, advised it is his opinion [redacted] is using the FBI in what is essentially a civil suit.

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/22/80

[redacted] was interviewed at the office of [redacted] telephone [redacted] in the presence of [redacted] and [redacted] whose offices are located at [redacted] telephone [redacted]

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[redacted] was present [redacted] and Harry Towers in the United States while [redacted] was present as [redacted] Mr. Towers in Canada.

[redacted] stated he is currently employed by [redacted] as [redacted] and recently as an Associate Producer for a movie just completed. [redacted] stated during 1979, he was self-employed as an [redacted] in the motion picture business.

He stated he has known Harry Towers since approximately 1960, and has had several business contacts with Towers concerning a number of motion pictures.

[redacted] stated he received a telephone call from Towers during the summer of 1979, at which time Towers told [redacted] he was producing a movie called "Southern Cross". Towers wanted to know what actor would be a good selection for the lead role. [redacted] stated this telephone conversation was later confirmed by a letter from Towers in July of 1979. [redacted] advised he had additional conversations with Towers and advised him three actors who might be considered for the starring role in "Southern Cross" are Glenn Ford, Jason Robards, and James Coburn. [redacted] stated he contacted the agents for Robards and Coburn who indicated their clients were not interested in making the movie. [redacted] stated he also called [redacted] who at that time was [redacted]

[redacted] He stated he presented the script to [redacted] who consulted with Ford and a decision was made that Ford was definitely interested in the movie and would be available. [redacted] stated a letter confirming his conversations with [redacted] was sent in August, 1979, setting out some of the specifics of the proposal, including Ford's salary of \$200,000 for two weeks work.

Investigation on 9/11/80 at Los Angeles, California File # Los Angeles 196-1460
by SA [redacted] /klt Date dictated 9/16/80

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b7C

[] stated a contract was drawn by Towers' attorney and sent to [] stated Ford's availability hinged on the ability of Towers or Towers' source of financing to place a certain amount of money into an escrow account. [] stated this money is referred to as "holding money". [] stated [] wanted \$100,000 placed in escrow, however, after negotiations it was determined \$50,000 would be sufficient. [] advised it was his understanding that an individual named [] from [] was involved in the financing of the movie "Southern Cross". He stated he understands [] was going to furnish \$50,000 to Towers who would in turn give the money to [] for the purpose of putting this money into an escrow account and solidifying Ford's commitment to star in the movie.

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[] advised no money was ever put into the escrow account and it is his understanding that [] was not able to raise the money for escrow. [] stated he called [] several times in [] and wanted to know when the money would be sent and [] indicated that he was making arrangements. [] reiterated, however, no money was sent by [] for the escrow account. [] stated since the money was not furnished, Ford and [] became uninterested and finally dropped consideration concerning Ford's role in the movie.

[] stated Towers did the normal things to make a movie including looking for a location, ordering rewrites, and a number of other actions in furtherance of making the movie. [] stated to date the movie has not been made and he could not explain why. [] advised he has been told by [] that Towers has some of [] money concerning "Southern Cross". [] stated his responsibility concerning "Southern Cross" was primarily [] and was not all that knowledgeable about the financing of the movie.

[] stated he served in the same capacity for Towers in connection with the movie "Klondike Fever" which was completed. [] stated he is not aware of any intent

3
LA 196-1460

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by Towers to defraud [] in connection with the financing of the movie "Southern Cross".

[] provided interviewing agent the following documents:

1. The contract presented to Ford.
2. The loanout agreement in connection with Ford's proposed appearance.
3. The loanout ratification.

It is noted [] had in his possession an unopened mailing envelope containing correspondence from [] stated he has not opened the envelope nor in any manner looked at this information since he preferred to be interviewed concerning his sole knowledge of "Southern Cross" and not be influenced by or privy to other persons' knowledge about "Southern Cross". [] left this envelope with [] and departed the office.

MESSAGE RELAY VIA TELETYPE

DATE 11/14/80	CLASSIFICATION UNCLAS E F T O	PRECEDENCE ROUTINE
------------------	----------------------------------	-----------------------

R FM DIRECTOR FBI

TO LEGATs, London
Ottawa

- ☐ The President
☐ The Vice President
☐ White House Situation Room
☐ Attn: National Security Council
☐ Department of the Air Force (AFOSI)
☐ Department of the Army
☐ Naval Investigative Service
☐ Commandant, U. S. Coast Guard
☐ National Security Agency (DIRNSA/NSOC (ATTN: SOO))
☐ Director, Defense Intelligence Agency
☐ Director CIA
☐ U. S. Secret Service (PID)
☐ Attn: Executive Protective Service
☐ ZEN/U. S. Postal Service
☐ Attn: Chief Postal Inspector

- ☐ Nuclear Regulatory Commission
☐ Department of Energy
☐ Department of Treasury
☐ Attn: U. S. Customs
☐ Department of Treasury
☐ Attn: Bureau of Alcohol Tobacco & Firearms
☐ Department of Transportation
☐ Attn: Director of Security
☐ Drug Enforcement Administration
☐ General Services Administration (WASHDC area, specify office)
☐ (Other Areas, specify CITY/STATE)
☐ Federal Aviation Administration
☐ Federal Protective Service
☐ Secretary of State
☐ Attn: Director Bureau of Intelligence & Research
☐ Attn: SCA - VISA Office Room 709 - SA2

- ☐ Attorney General
☐ Deputy AG
☐ Attn: Emergency Programs Center
☐ Assistant AG, Civil Rights Div.
☐ Assistant AG, Criminal Div.
☐ Attn: Internal Security Section
☐ Attn: General Crimes Section
☐ Assistant AG for Administration
☐ Attn: Security & Administrative Services Staff
☐ Immigration & Naturalization Service

(SERVICE ALSO AVAILABLE TO GOVERNMENT AGENCIES NOT LISTED. ☐
 CONTACT COMMUNICATIONS CENTER FOR ADDRESSING INFORMATION) ☐
 SUBJECT:

SEE ATTACHED

V-79

DE-24

196-1526-

APPROVED BY sm/c	ORIGINATOR G. T. Coughlin	ROOM 3058	TELE EXT. 5629
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NOT RECORDED
 32 NOV 18 1980
 DEC 1 1980

DO NOT FILE WITHOUT COMMUNICATIONS STAMP

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 7-14-81 BY SP1 GSK/JAR
 FBI DOJ

59 DEC 11 1980

ORIGINAL FILED IN 31-88535-112

RECEIVED
TELETYPE UNIT

NY0596 3181744Z

13 NOV 80 17 53Z

FP HQ BU SF

DE NY 006

P 131700Z NOV 80

FM NEW YORK (31-11639) (M-9)

TO DIRECTOR PRIORITY

BUFFALO PRIORITY

ATTN: SUPERVISOR [REDACTED]

SAN FRANCISCO PRIORITY

BT

U N C L A S

HARRY ALLEN TOWERS, AKA - FUGITIVE, WSTA, OO: NEW YORK.

HARRY ALAN TOWERS, DBA KLONDIKE FEVER FILM PRODUCTIONS, LTD.,

THEATRE FILM PRODUCTIONS, LTD., FILM ACCOUNTING SERVICES, LTD.,

FBW; ITSP; MAIL FRAUD, OO: SAN FRANCISCO.

BY TELETYPE DATED 11/13/80, NEW YORK ADVISED THAT
~~RENYAIRTEL TO THE BUREAU, AUGUST 11, 1980, AND NYTELCA~~

~~TO BUFFALO, NOVEMBER 13, 1980.~~

FOR INFORMATION OF BUFFALO, SUBJECT, A BRITISH CITIZEN, WAS
INDICTED BY FEDERAL GRAND JURY, SDNY, ON APRIL 12, 1961, ON
FIVE-COUNT VIOLATION OF WSTA. TOWERS SUBSEQUENTLY ARRESTED,
RELEASED ON BOND AND FLED THE COUNTRY. FAILURE TO APPEAR

*Refer to
Relay to
Hight
London
041104*

6 - [signature]

PAGE TWO U N C L A S

BENCH WARRANT ISSUED MAY 9, 1961, IN USDC, SDNY. SDNY SUBSEQUENTLY, DUE TO THE PASSAGE OF TIME AND UNAVAILABILITY OF WITNESSES, DROPPED THE WSTA CHARGES, HOWEVER, CONTINUED TO ADVISE WOULD PROSECUTE SUBJECT FOR BOND DEFAULT AND WARRANT ISSUED. ON JUNE 9, 1980, CAPTIONED MATTER WAS TRANSFERRED TO THE UNITED STATES MARSHAL'S SERVICE IN LINE WITH INSTRUCTIONS SET FORTH IN BUREAU AIRTEL, DATED AUGUST 8, 1979, "INVESTIGATIVE OPERATIONS-FUGITIVE PROGRAM".

ON NOVEMBER 12, 1980, AUSA [REDACTED] SDNY, ADVISED SUBJECT WILL TRAVEL FROM CANADA TO NEW YORK ON NOVEMBER 13, 1980, TO APPEAR IN COURT ON NOVEMBER 14, 1980. [REDACTED] INQUIRED IF ANY BORDER STOPS STILL IN PLACE ON SUBJECT. IF SO, SHE REQUESTED THAT THEY BE REMOVED.

ON NOVEMBER 12, 1980, [REDACTED] ADVISED THAT "F-2" STOP STILL IN PLACE ON SUBJECT, HAVING BEEN PLACED BY FBI.

[REDACTED] ADVISED THAT IT WOULD REQUIRE APPROXIMATELY TWO MONTHS TO REMOVE THIS STOP THROUGH NORMAL CHANNELS.

ON NOVEMBER 12, 1980, [REDACTED] WAS RECONTACTED AND REQUESTED TO CONTACT SUBJECT'S ATTORNEY TO DETERMINE WHERE HE WOULD ENTER

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PAGE THREE U N C L A S

UNITED STATES. NCIC WAS CHECKED WITH NEGATIVE RESULTS.

ON NOVEMBER 13, 1980, AUSA [REDACTED] ADVISED THAT SUBJECT'S

[REDACTED] ADVISED SUBJECT WOULD CROSS AT QUEESTON LEWISTON BRIDGE BETWEEN 2:00 P.M., AND 4:00 P.M., NOVEMBER 13, 1980.

BUFFALO, AT BUFFALO, NEW YORK. AS DISCUSSED IN REFERENCED TELEPHONE CALL, WILL ARRANGE FOR INS OFFICIALS TO IGNORE "F-2" STOP PLACED ON SUBJECT.

OTHER RECIPIENTS ARE REQUESTED TO ADVISE NEW YORK OF ANY INVESTIGATIVE INTEREST. NEW YORK WILL SUBMIT CANCELLATION NOTICE FOR INS STOP.

~~THE BUREAU IS REQUESTED TO FURNISH LEGAT, LONDON, AND LEGAT, OTTAWA, WITH THE ABOVE INFORMATION.~~

~~BT~~

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